

The NATIONAL UNDERWRITER

Leonhart and Company, Inc.

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VICE PRESIDENT-TREASURER

April 23, 1951

Insurance Company Officials
Insurance Agents and Brokers
Anywhere in the
Free Enterprise World

Gentlemen:

Reinsurance -- Treaty and Facultative Excess and Special Risks Insurance

Your requirements for added capacity and facilities are of primary interest to us.

It makes no difference what kind of Reinsurance Cover, Excess or Special Risks Insurance -- our facilities worldwide are unexcelled.

It is our recommendation that you utilize the market best suited to your needs. Our many years of experience qualify us to advise you in that regard.

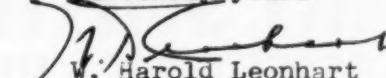
A thorough study of your present facilities by us and your consideration of our recommendations is the first step.

Our clients are convinced of the quality of service we render. We encourage you to give us an opportunity to improve your existing treaties or surplus line facilities.

We encourage you to place Facultative Reinsurance or Special Risks Insurance with us irrespective of size or kind of coverage.

Visit with us in Baltimore or invite us to visit with you or talk with us at the various companies' and agents' conventions.

Sincerely yours


W. Harold Leonhart
President

THURSDAY, MAY 3, 1951

NOTICE TO COMPANIES AND BROKERS

DIAMONDS SCATTERED FROM A BURNING AIRPLANE WERE RECOVERED, SIX MONTHS LATER, FROM THE SAHARA DESERT IN 1943 BY PATIENT SIFTING OF SEVERAL HUNDRED TONS OF SAND



OF COURSE, IT IS QUICKER TO RECOVER BY REINSURANCE

WORTH 2-7770

STEWART, SMITH & Co., Inc.

116 JOHN STREET

NEW YORK 7.

CHICAGO • MONTREAL • LONDON

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Annual Extension Is Winning Many Converts

Standpatters Are Deserting Term Rule Adherence for New Plan

In this day of what appears to be the twilight of the traditional term plan there is developing as a rallying point for a number of companies, the so-called extension plan which is differentiated from the installment payment of the term premium.

Many companies, especially in the middlewest, in recent weeks have departed from a sideline position. They have adopted the extension plan and filed it in various states and where approved, a number of such companies are making strong bids for agency connections on the basis of this facility.

Most of those companies that were opposed to any form of departure from the traditional term practice have now given up the ghost. They feel that the die has been cast and they can no longer resist the turn of the times.

There is an effort on the part of the regional associations to try to work out some uniform pattern that can be filed where this is necessary. It seems very certain just now that the majority sentiment is strongly in favor of an extension or renewal plan rather than the annual payment of the term premium. However, there are many incidental points involved that are subject to different procedures and the emphasis is now on getting these into alignment. For instance, there is the matter of how to charge for increases in insurance after the first year. The majority here apparently favors charging the initial 100% rate rather than the 80% or 78% rate which is collected after the first year under the renewal or extension plan.

Sales Campaigns Underway

Some of the companies are staging a real production campaign in connection with these departures. Even those that are opposed to what is happening and feel that they are simply being carried along by the current, nevertheless are striving to make the best of what to them is a bad bargain. They see here an exceptional opportunity to strike for increased amounts of insurance. The change comes in the heat of an inflationary cycle. The property owner is sensitive to the increased dollar values of his belongings and by converting from a term prepayment plan to an annual renewal or extension program, the agent can satisfy his needs for increased amount of insurance with a very greatly reduced dollar outlay for the time being and, of course, what counts with the average person is the amount of a check that he is called on to write at the moment. In Arkansas and Oklahoma, for instance, where these changes have been made fairly recently the companies that have been aggressively soliciting agency connections and new business on the basis of the new facilities report that the gains are impressive.

Of course, this makes it a great deal easier for the insurance companies, too, to shoulder the increased liabilities that are coming with inflation. As compared

(CONTINUED ON PAGE 34)

Installment Plan Is Upheld in Arkansas

North America Plan Not Violation of Law, Supreme Court Says

LITTLE ROCK—The Arkansas supreme court in its long awaited decision on installment premium payment plans in the case of Arkansas Inspection & Rating Bureau vs. North America, held that "nothing in North America's plan . . . involves a violation of the law." The opinion, written by Associate Justice Holt, did not answer any of the basic issues relating to state regulation raised by the appellant, as to what constitutes a deviation within the meaning of Act 50 of 1947, the "all-industry" fire rating act, and what constitutes discrimination. These fundamental considerations had been argued long and earnestly by opposing counsel both in briefs and oral presentation.

Discussing the purpose and intent of the fire rating law, the court said: "The first purpose of Act 50 was to promote the public welfare to whatever extent that might be done through regulation of insurance rates within the phase dealt with. They must not be excessive, inadequate, or unfairly discriminatory, hence cooperative rate-making was authorized under a formula not intended to discourage reasonable competition; secondly, there was no thought of prohibiting or encouraging (a) uniformity in rates, (b) uniformity in their rating systems, and, (c) uniformity in rating plans and practices—except to the extent that the three uniformities were necessary to accomplish expressed purposes of the act. It is noteworthy that the lawmakers used the word 'discourage' in negating an intent to prohibit reasonable competition, while 'encourage' was employed to disaffirm matters mentioned in (a), (b), and (c)."

North America's Contention Cited

Justice Holt pointed out that the installment plan of North America was first filed in Arkansas in 1946, prior to the enactment of Act 50, and that it had been refiled and approved by the commissioner in succeeding years until 1950, when objection to it was made. "North America," the opinion continued, "takes the position that the law itself gives effect to the rates because the identical method of writing insurance now objected to by the bureau was on file prior to Dec. 1, 1947 (effective date for rates under Act 50), and it was not disapproved. Appellant insists that when the commissioner notified North America that it should refile and North America acquiesced, the parties thereby construed the requisite procedure, hence they cannot now be heard to plead otherwise. . . Courts are not required to adopt the construction interested persons have placed on a legislative act, although where the language is doubtful and a subdivision of the state is involved high regard will be accorded a construction accepted over a substantial period of time."

Commissioner's Ruling Stands

"In the instant case we find nothing in North America's plan that involves a violation of the law, and it is difficult to rationalize appellant's contentions that the rate filing placed with the commissioner and not disapproved prior to Dec. 1, 1947, did not automatically become effective."

The opinion affirmed the judgment of the lower court on direct appeal and reversed and remanded the cross-appeal.

(CONTINUED ON PAGE 35)

Harris Resigns; A. H. Nelson New Minn. Commissioner

ST. PAUL — In a surprise move, Commissioner Armand Harris resigned and Gov. Youngdahl immediately appointed A. Herbert Nelson, state manager of the Business Men's Assurance, as commissioner. He assumes his duties May 15.

Mr. Harris is resigning to go with St. Paul Fire & Marine. He said his



A. Herbert Nelson



Armand Harris

place in the St. Paul organization has not definitely been decided but will be announced shortly. He has been commissioner since 1947 and before that was head of the rating division in the Minnesota department. Before entering the department he conducted his own local agency in St. Paul.

Mr. Nelson is a graduate of University of Minnesota. He has been in insurance 20 years, 13 with Travelers at Minneapolis, where he was assistant manager for several years. This is his first political office although he was a candidate for lieutenant governor four years ago. He has long been a close friend of Gov. Youngdahl and also of former Gov. Stassen. He has been prominent in association work in both life and A. & H. fields.

Chesney May Be Md. Commissioner

According to gossip in insurance quarters, Harvey M. Chesney of Bel Air, Md., will be appointed Maryland's new insurance commissioner. He would succeed Claude A. Hanley, whose term expires May 7.

Mr. Chesney, an agent at Bel Air, is understood to have been active in Republican politics. He would receive his appointment from Maryland's Republican governor, Theodore R. McKeldin, who defeated a Democratic predecessor. Mr. Chesney represents State Mutual Life, Employers Fire and Employers Liability, Hanover Fire and Springfield F. & M.

Formal announcement of Mr. Chesney's appointment by Gov. McKeldin is expected before the expiration of the term of the present commissioner.

Mr. Chesney entered the insurance business in 1943 as a representative of the Harry I. Warren agency at Baltimore of State Mutual Life. He has continued to retain that association and in 1945 he organized his own general insurance agency. This he will give up before taking the state position.

Mr. Chesney was born in 1902 at Churchville, Md. He worked for a year at Pennsylvania National Bank of Chesapeake and for eight years at Farmers & Merchants National Bank of Bel Air. Previously he conducted an electrical merchandising and contracting business at Bel Air.

Mr. Chesney is a former chairman of the Republican state central committee of Harford county.

Budget Expert Throws Cold Water on WDC Program

Strongly Opposes Voluntary Contract Plan; Leery of Advance Commitments

By HENRY HALLAM

WASHINGTON—The Frear Senate banking subcommittee on war damage at a recent executive session reportedly reached no conclusions.

Following recent hearings, the legislative prospect is uncertain. Some expect Congress to pass before long some plan for a stand-by war damage organization. Others look for delay in enactment of legislation at least until the summer, and possibly next winter.

One of the complicated problems involved is what to do about civil defense workers. Sentiment seems strong for protecting them, but how and to what extent is another matter.

Insurance companies are reported willing to cover civil defense workers while under training and while en route to and from official assignment. But some officials want to go farther and cover them on an all-out basis.

The subcommittee concluded two more days of hearings last week and recessed subject to call. Principal witness was Elmer B. Staats, assistant director of the budget bureau, who read a prepared statement and submitted a staff memorandum for the budget bureau and national security resources board.

Eschews Advance Commitment

Mr. Staats expressed opposition to the idea of undertaking government war damage property insurance on a voluntary contractual basis. He suggested a program for indemnification of owners of damaged property that would involve the advance assumption by the federal government of only a limited liability. This would leave for post-war determination the question of the extent to which the federal liability should be increased. The bulk of any such compensation payment should not be made until materials are available for restoration. There would be no individual contracts to imply either a legal or a moral commitment that the government should provide such an increase.

On the matter of workmen's compensation he suggested the possibility of an enactment under the war powers of the federal government relieving employers and their insurers of their liabilities for injury or death caused by war. This would, of course, deprive employees and their families of protection. What Mr. Staats advocates is a provision for some income to the dependents of all persons injured or killed because of enemy action. Such protection is needed by dependents whether the breadwinner was or was not covered under workmen's compensation laws and whether the attack came at night when he was at home, or in the daytime when he was at work.

He recommends federal assumption of the entire responsibility for benefits to civil defense workers injured or killed as a result of enemy action in the same

(CONTINUED ON PAGE 35)

Investors Syndicate, Four Pups, Named in Government Suit

Insurance Purchases from Mortgage Lenders Called Sherman Law Violation

WASHINGTON—The U. S. Department of Justice has announced filing of a civil suit in federal district court at Minneapolis, charging Investors Diversified Services, Inc., Minneapolis, and four subsidiaries with violating Sherman and Clayton anti-trust laws by requiring agreement from persons who borrow money from them under residential property mortgages that only Investors and subsidiaries can write and place insurance on mortgaged property which lenders require borrowers to maintain. Investors Diversified Services until 1949 was known as Investors Syndicate.

Named defendants include Investors Syndicate Title & Guaranty Co. of New York; Jefferson Mortgage Corp., Atlanta; Northwest Mortgage Co., Seattle, and Syndicate Mortgage Co., Los Angeles.

Want Injunction on Agent Status

The suit seeks to cancel restrictive agreements complained of and obtain injunction against defendants from acting as agents.

Insurance industry representatives here are interested in the case and receiving inquiries about it, but agent associations' representatives assert they had nothing to do with it.

The government's complaint says defendants require borrowers to maintain fire, wind and other insurance on their mortgaged property as security.

In denying the federal charges, President E. E. Crabb said: "For many years Investors has had an insurance department with licensed agents representing reliable and financially-responsible insurance companies and has assisted borrowers in obtaining insurance coverage on their property. However, more than 50% of the home buyers obtaining mortgage loans from Investors have provided their own insurance coverage through insurance companies they selected. We believe we have acted within our legal rights. The present suit will settle the question."

A justice department announcement said:

"It is alleged that defendants have made arrangements with certain insur-

ance companies under which defendants, or persons in their employ, are authorized to write and sell hazard insurance for these insurance companies, and that defendants receive a commission on the insurance written, sold and placed with these insurance companies. To the extent that defendants are engaged in the writing and sale of hazard insurance, they are in competition with others who are engaged in the writing and sale of such insurance.

\$500 Million Involved

"The complaint alleges that defendants, as a condition to the making of residential mortgage loans, have required the borrowers to agree that only the defendants can write, place and sell the hazard insurance which is required to be carried on the mortgaged property, and that the borrowers would not procure or buy this insurance from any agent or broker other than the defendants. Defendants have refused to allow borrowers to purchase this insurance from agents or brokers of the borrower's own free choice. Borrowers are required to pay to defendants the premiums on such insurance, and defendants receive and retain the commissions. The hazard insurance which defendants have sold, written and placed with insurance companies on residential properties on which defendants have made mortgage loans exceeds \$500,000,000.

In Restraint of Trade

"The complaint also charges that the contracts, agreements and understandings between defendants and borrowers regarding the writing, placement and sale of hazard insurance unlawfully restrain and substantially lessen interstate trade and commerce in hazard insurance, and that defendant has monopolized interstate trade and commerce in hazard insurance on residential property on which defendants have made mortgage loans."

Attorney-General McGrath said "the practice frequently followed by mortgage loan companies in requiring borrowers to agree to let the mortgage loan companies write and place the required insurance with insurance companies selected by said lenders excludes other insurance companies and agents from an opportunity to compete for a very large amount of insurance business, in violation of the principle of the anti-trust laws that there should be freedom of access to markets by all competitors."

Casper New Publisher

Thomas J. Casper has been named publisher of the Spectator, which is a unit in the Chilton Co. of Philadelphia. He has been handling sales and sales promotion in central Pennsylvania for American Standard Corp. Prior to that he was with the automotive division of Chilton Co. He was a lieutenant commander in the navy during the war.

G. H. Grant, Aetna V.P., Is Retiring

G. Harold Grant, vice-president of Aetna Fire Group, is retiring after more than 35 years of service.

Mr. Grant joined Aetna as a clerk in the bookkeeping department in 1916. In 1925, he was appointed actuary, a position he filled with distinction for 11 years. He was elected assistant secretary in 1936, and two years later he was promoted to secretary. In 1949 he was elected vice-president of the group.

Mr. Grant has moved to his summer place at East Taunton, Mass. Next fall he will take up residence at his winter home in North Miami.

Program for Mutual Agents' Mid-Year Meet Announced

The program for the National Assn. of Mutual Insurance Agents' mid-year meeting at Swampscott, Mass., May 28-30, has been announced. Philip L. Baldwin, executive secretary, expects 300 mutual agents to attend. William J. Watson, Providence, is general chairman.

The convention will be preceded by a meeting of the directors May 27. Speakers the opening day will be F. Alexander Magoun, on "How to Be a Balanced Personality," and Hyde Perce on "200th Anniversary of Mutual Insurance Plans," followed by a business meeting.

On May 29, National association officers will address the meeting, followed by a talk by Commissioner Sullivan of Massachusetts and Judge Harold B. Wells of New Jersey on "Success—What Is It? How to Attain It." There will be a golf tournament in the afternoon.

The May 30 feature is "The Mutual C.P.C.U.'s of the Country Speak," after which Newell R. Johnson, assistant general manager American Mutual Alliance, will speak on "The Future of Mutual Insurance" and John Nicol Mark, minister and lecturer, on "What's Right With the World."

A banquet and dance will close the program.

Agents on C. of C. Tour

Wichita insurance offices were well represented on the four-day good-will tour of Wichita Chamber of Commerce into southwest Kansas, Oklahoma, Texas and New Mexico. Local agents making the trip included E. C. Beezley, Beezley, Outland & Foote; H. A. Blinn and R. S. Brewer, Wheeler, Kelly, Hagney; Eli Bounous of Small-Bounous; Joe Moddrell, president Wichita Assn. of Insurance Agents; W. O. Lamb, Harris, Burns & Co.; C. W. Black, Dulaney, Johnston & Priest; Tony Casado, Kenneth Brasted and L. W. Roberts.

OK. Additional E. C. Endorsement for New England

BOSTON — The additional extended coverage endorsement, low cost multiple peril coverage for dwellings, has been approved by the rates, rules and forms committee of New England Fire Insurance Rating Assn. The form, however, cannot be filed in Massachusetts until the legislature acts on a pending change in the insurance law.

In addition to approving the new dwelling form, the N.E.F.I.R.A. committee gave Maine farmers and agents a reprieve from the scheduled May 1 adoption of the new farm insurance rates and rules. In Maine, the effective date will be July 1 while May 1 is still the effective date in other New England states.

Although no announcement has been made, the N.E.F.I.R.A. committee drafted several changes in the new farm rules to meet objections from producers in other states.

The new additional E.C. form adopted by N.E.F.I.R.A. committee for filing in Maine, Vermont, Massachusetts, Rhode Island and Connecticut is the same as the latest draft approved by Eastern Underwriters Assn. and will be written at a rate of 4 cents per \$100. The present E.C. No. 4 will continue to be available at present rates.

The Massachusetts legislature may clear the way for filing of the new form by enacting legislation recommended by former Commissioner Harrington. The amended bill, now pending in the senate, will permit combination of water damage, boiler explosion, theft and other casualty coverages with fire insurance. No legislation is required for writing the new E.C. cover in Maine, Vermont, Rhode Island and Connecticut.

Service on Public Lines Told

Wichita Assn. of Insurance Agents heard President Joe Moddrell report on service being given by the board to public properties of the city, county, public schools, University of Wichita, library board and Y.M.C.A., which it has been servicing for over 25 years in some cases. He cited rate reductions secured, improved forms and coverages, concurrency of coverages, and reduction in number of policies. Secretary Henry V. Schott checks and supervises all policies issued by both board and non-board agencies to assure accuracy and concurrency.

Omaha Insurance Women were guests of the Lincoln insurance women at dinner. Howard Jelinek showed an educational film on fire prevention. A report was made on the regional convention at Wichita last month by Edna Miller and Ethel Vanous, Lincoln.



Pictured at the Rocky Mountain Territorial Conference of National Assn. of Insurance Agents at Colorado Springs in April (photographed by H. Paul Gotsch, executive secretary of Colorado Assn. of Insurance Agents), left to right: J. M. Christensen, Laramie, Wyo., conference chairman; Howell Earnest, past director of the New Mexico Assn.; Harold Wilber, past president Colorado Assn.; Ralph Austin, LaJunta, director of the Colorado association; William D. Sanborn, president Colorado association;

Houston Waring, editor of the Littleton, Colo. Independent; Richard E. Farrer, secretary of National Fire; J. Edwin Stein, president of Utah association. The newly elected officers of the Rocky Mountain Conference from the left are: Foster L. Fritchle, Colorado Springs, chairman; Jack Brandenburg, Taos, N. M., first vice-chairman; James M. Kellett, Denver, second vice-chairman, and E. G. Jackson, Laramie, Wyo., secretary-treasurer.



FINANCIAL STATEMENTS DECEMBER 31, 1950

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,625,000.	\$103,339,366.	\$59,095,773.	\$44,243,593.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	10,147,710.	6,856,269.	3,291,441.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	9,795,730.	6,388,425.	3,407,305.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	26,621,995.	17,269,325.	9,352,670.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	34,858,112.	26,225,057.	8,633,056.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	39,807,677.	30,226,458.	9,581,219.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	425,988.	24,127.	401,861.

Pittsburgh Underwriters - Keystone Underwriters

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Newark 1, New Jersey



WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver, B. C.

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

Snow Predicts Aggravated Business Interruption Losses

In his talk on business interruption and other time element coverages at the midyear meeting of Minnesota Assn. of Insurance Agents at Minneapolis, Chester A. Snow, vice-president Phoenix of Hartford, said the number of business interruption losses in 1950 was almost as great as in 1949, but that the average amount per claim was less than for the previous three or four years. In about one-third of the cases involving substantial damage, Mr. Snow said the business interruption claim exceeded the property damage loss, but this seldom happened where it did not involve specially designed machinery or equip-



C. A. Snow

ment, which is as it should be, since business interruption insurance is written at a lower rate.

However, Mr. Snow pointed out that there is still a serious underinsurance problem with business interruption insurance, with an average coinsurance deficiency of about 30% during the last several years. Further, unless business interruption requirements are checked at least once a year and preferably every six months, this will probably get worse, because of the pinching of civilian allocations of critical materials by the government. Any insured whose activities involve critical materials will face a longer period of restoration in case of property damage and there will undoubtedly be a higher average percentage loss under business interruption contracts because of this.

Mr. Snow said that for some reason too many agents, including those who have been most conscientious in checking property value changes, have ne-

glected checking business interruption values.

The only important recent change in forms, Mr. Snow said, was the modification of the clause headed "special exclusions" to limit its application to increase of loss caused by local or state ordinance or law. The old form did not restrict this to local or state laws, so it did apply to federal regulations and hence during the recent war the priorities assumption clause was needed for complete coverage. With this change there will no longer be any need for the priorities assumption clause, except for occasional attachment to policies issued before the date of the new forms. He said that probably the combined manufacturing and mercantile operations endorsement will be incorporated into the manufacturing business interruption forms, both gross earnings and two-item. He said there are many manufacturers who buy and sell some merchandise which they do not produce in order to complete their lines and that the need for this indorsement has often been overlooked, so this change will work for the convenience of everyone.

The gross earnings form has been a tremendous success with mercantile

risks, Mr. Snow said, better than 75% of those carrying business interruption insurance today being protected under that form. On the other hand, the two-item form is still more popular with manufacturers, primarily because most manufacturers do not care to carry ordinary payroll coverage and naturally object to the inclusion of ordinary payroll in the basis for coinsurance. However, the differential in rate between the gross earnings form and the two-item form is less in the middle west than in the east, with the natural result that the gross earnings form has been relatively far more popular in the middle west. In Minnesota, he said, there is a differential of only four points between the gross earnings form with 50% coinsurance and item I of the two-item form with 80% coinsurance, so if a manufacturer has any interest in any ordinary payroll coverage he can afford to carry the gross earnings form. If ordinary payroll and expense of heat, light and power constitute less than 34.9% of the annual gross earnings, then, at the Minnesota differential, the gross earnings form with 50% coinsurance will cost less than item I of the two-item form with 80% coinsurance. However, he recommended that the gross earnings form not be written for manufacturers for less than 60% of the annual gross earnings, because of the danger of a prolonged shutdown. Even with mercantile risks, he said, a substantial proportion of policies under the gross earnings form are now being written with 60% or higher coinsurance, instead of the minimum 50% requirement.

Mr. Snow pointed out the tremendous field for business interruption insurance among smaller, well-managed mercantile firms. According to a study of National City Bank of New York, the 100 largest retail corporations in 1948 operated 29,278,000 stores with sales of \$19 billion. This, however, represented only 15% of the national total and 1,704,500 smaller merchants had sales of \$111 billion, or 85% of the total.

Cubana Crash Hull Loss Placed at Above \$250,000

Replacement cost of the DC-4 plane which collided with a navy trainer plane last week off Florida is estimated at \$250,000-300,000. The aircraft, in which 43 persons died, was operated by Cubana, a subsidiary of Pan-American Airways.

It is believed that American International Underwriters was on the line and that the loss is being handled at its Havana office.

CELEBRATING CENTENARY



A. C. Dietrich, manager of the tabulating department; A. E. Heacock, president, and Paul Kohl, manager supply department of Pacific Fire on the 100th anniversary of the company. Mr. Kohl is presenting Mr. Heacock with a narrative of the message on a bronze plaque that will be placed in the front lobby of the head office at New York as a memento of the milestone.

Whenever You're

Ridin' Our Range,



The Kansas City
Offers You
Real Western Hospitality

As a Western Company, true to the friendly traditions of the West, The Kansas City . . .

● Invites our agents to make our home office their headquarters when they're in Kansas City.

● Makes a genuine effort to assist our agents in every possible way — from solving a difficult underwriting problem to

getting theater tickets and making hotel reservations!

● Maintains an "open door" policy that results in close, friendly relationships between officers and directors and agents. Next time you're in Kansas City, come in and enjoy our Western hospitality!

Morris T. Jones
PRESIDENT



A Multiple-Line Insurance Company

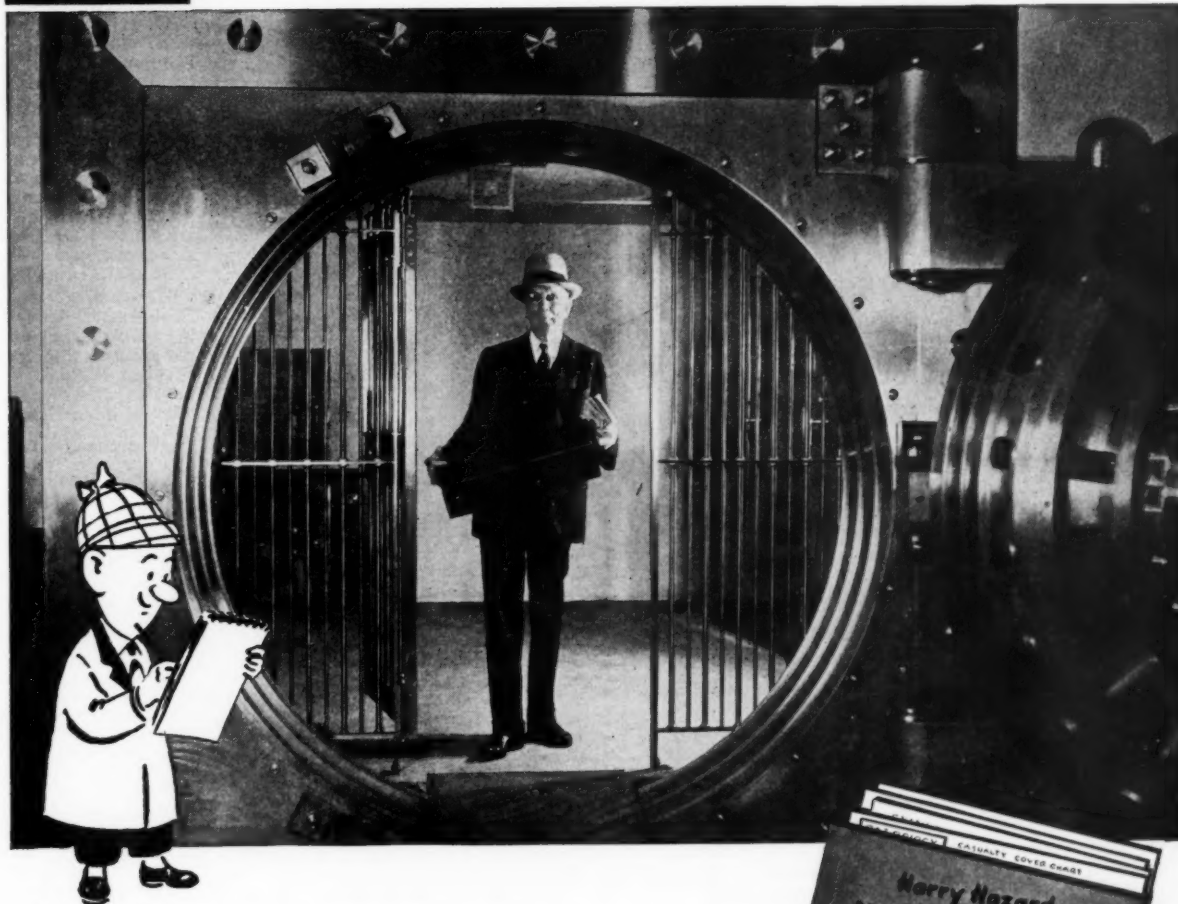
KANSAS CITY Fire and Marine

INSURANCE COMPANY

KANSAS CITY, MISSOURI



Survey, Sell and Service



In many types of financial institutions there is a real opportunity for the alert insurance agent who is equipped to make a complete survey, a detailed sale, and who is ready to follow-up with real service.

Agents of *The American Insurance Group* are reaping the rewards of this method by using the new **HARRY HAZARD Commercial Survey Kit**. They are selling Accounts of Insurance . . . not individual policies.



NEWARK 1, NEW JERSEY

The American Insurance Co. Bankers Indemnity Insurance Co. The Columbia Fire Insurance Co. The Jersey Fire Underwriters

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**HARRY HAZARD
BLUEPRINTS PROTECTION
FOR BUSINESS RISKS**



WHY
INSURANCE MEN
LIKE

TITE-ON
ROOFS

Wind damage claims go out the window when Ruberoid's Tite-On Shingles go on the roof! During the past 18 years, more than half a million Tite-On applications have proven the safety of these patented, interlocking shingles.

In the worst windstorms over the country . . . in hurricanes up to 120 miles per hour . . . Tite-On roofs have come thru with flying colors but no flying shingles. And, for the sake of scientific support, the wind-resisting qualities of Tite-Ons have further been proven in controlled wind tunnel tests.

Letters from home owners and businessmen throughout the country tell us of their complete satisfaction with Tite-On's ability to "ride out" windstorms. The reproduced letter from insurance man, Philip Orr, is typical.

You get fire safety too in Tite-On Shingles—they carry the Underwriters' Class C Label. For complete explanation of how Tite-On's design and construction provide a safe roof for you to insure, send for the booklet "Hurricanes Couldn't Rip Off Ruberoid Tite-On Shingles."

INSURANCE
LOANS
REAL ESTATE

15 South Wesley Avenue
MOUNT MORRIS, ILLINOIS

As a result of the widespread windstorm of May 5th, this agency had some 300 losses with 95% of these losses resulting in damage to shingles. In making the adjustments it was brought to our attention that all buildings having Ruberoid-Tite-On shingles escaped all damage resulting from this wind.

This agency feels that in your relations with the farmers of the country you should recommend shingles of this type for all buildings.

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MORE YEARS
FOR YOUR DOLLAR WITH
RUBEROID
BUILDING MATERIALS

Rhode Island Agents Cover Much Ground at Midyear

By KENNETH O. FORCE

PROVIDENCE—In this tidy state, agents do a morning's work and then drive an hour or two to get to the meetings of Rhode Island Assn. of Insurance Agents. The midyear gathering here this week followed the time pattern of an afternoon and evening of business, education and inspiration, the difference being that the crowd of close to 400 was just about a record. There were no controversies but a lot of fraternity and some sorority. After a brief association session, two panels

Member agencies now total 250, an all time high, President Robert S. Preston of Providence reported. A committee of Rhode Island Bankers Assn. and one from the agents group are conferring on the banks adopting a standard mortgage clause in place of the individual ones banks now require.

Defeat Two Bills

A compulsory auto cover bill and one to license reciprocals were defeated in the legislature just closed, Mr. Preston said.

The association and Rhode Island Assn. of Insurance Women sponsored a mobile driver educational clinic in the state. The association has offered to assist any member writing hospital business to retain it through a plan of action recommended by the N.A.I.A.-American Hospital Assn. committee.

The purpose of business interruption insurance was outlined by Owen J. Jones, Providence manager of General Adjustment Bureau. How the premium is developed was explained by J. Robert Adams, manager engineering and service department of Providence Washington, who distributed a half page guide, summarizing four manual pages, for determining the U. & O. premium.

Paul Colwell Gives Counsel

Paul A. Colwell, vice-president of the Gross agency, Providence, said that to determine the proper amount of coverage each risk must be analyzed. How long would it take to replace or refurbish the building, and how long to replace stock for a mercantile or raw stock for a manufacturing plant? Give insured a little more than careful computation indicates he needs.

Mr. Jones explained that the coinsurance is based on his U. & O. value for one year, though if he has enough insurance and a long enough shutdown he may be paid for two years.

When is a gross earnings form less expensive than the two item form? Mr. Adams said that for mercantiles the average of ordinary payroll and light, heat and power runs 42%. If a merchant's figures are less than that, the gross earnings form is cheaper. Manufacturing risks run about 35% in these respects. Hence gross earnings may be less expensive for that type of risk.

In the absence of net profit, insured would have a great need for U. & O., Mr. Jones said, if insured is using his capital, has been earning his expenses, etc. This is particularly true where reserves are meager or non-existent.

Quarterly Checks Desirable

The greatest fallacy is writing U. & O. for more than one year without a 6 months check for adequacy, Mr. Adams declared. Many adjusters recommend quarterly checks. Commenting on the present-day priorities language in the policy, Mr. Adams said that though it was intended to show the insurer assumes that risk, it will not help insured if he can't get machinery or materials to rebuild and return to production. Agents should check insured to see if he needs more insurance for a longer period of shutdown.

Donald S. Paige was moderator, replacing R. W. Hawkins, Providence, who became ill.

H. R. Chase, Jr., Starkweather & Shepley, Providence, moderated the com-

prehensive general liability panel. Among the advantages of comprehensive over schedule is that the former contains the words "hazards hereinafter defined," A. Scott Crannell, Providence Washington Indemnity, said. The comprehensive policy does not.

There was quite a discussion of side-track agreements. Lester B. Dingwell, Employers group, Boston, said they are covered under comprehensive. Any concern that has a side track agreement holds harmless the railroad. Not half of insured with sidetracks know they have signed such agreements, he suggested. Such agreements make no mention of amount of insurance or extent of liability. Such agreements, side track, lease, etc., may have been signed years ago, and are forgotten—until there is an accident and then a claim.

Kenneth E. Norris, Paige & Co., Providence, delineated the differences between schedule and comprehensive as to exclusions. The comprehensive exclusions deal with the whole of insured's liability, the schedule exclusions delineate and define hazards insured.

Occurrence and Accident

The larger the risk the more important becomes the question of occurrence as opposed to accident, Mr. Dingwell said. He cited escaping coal gas from faulty firing of an apartment furnace, which overcame 13, as an example of occurrence. Or, a customer in a store is frightened into shock by an accident that does not itself injure her.

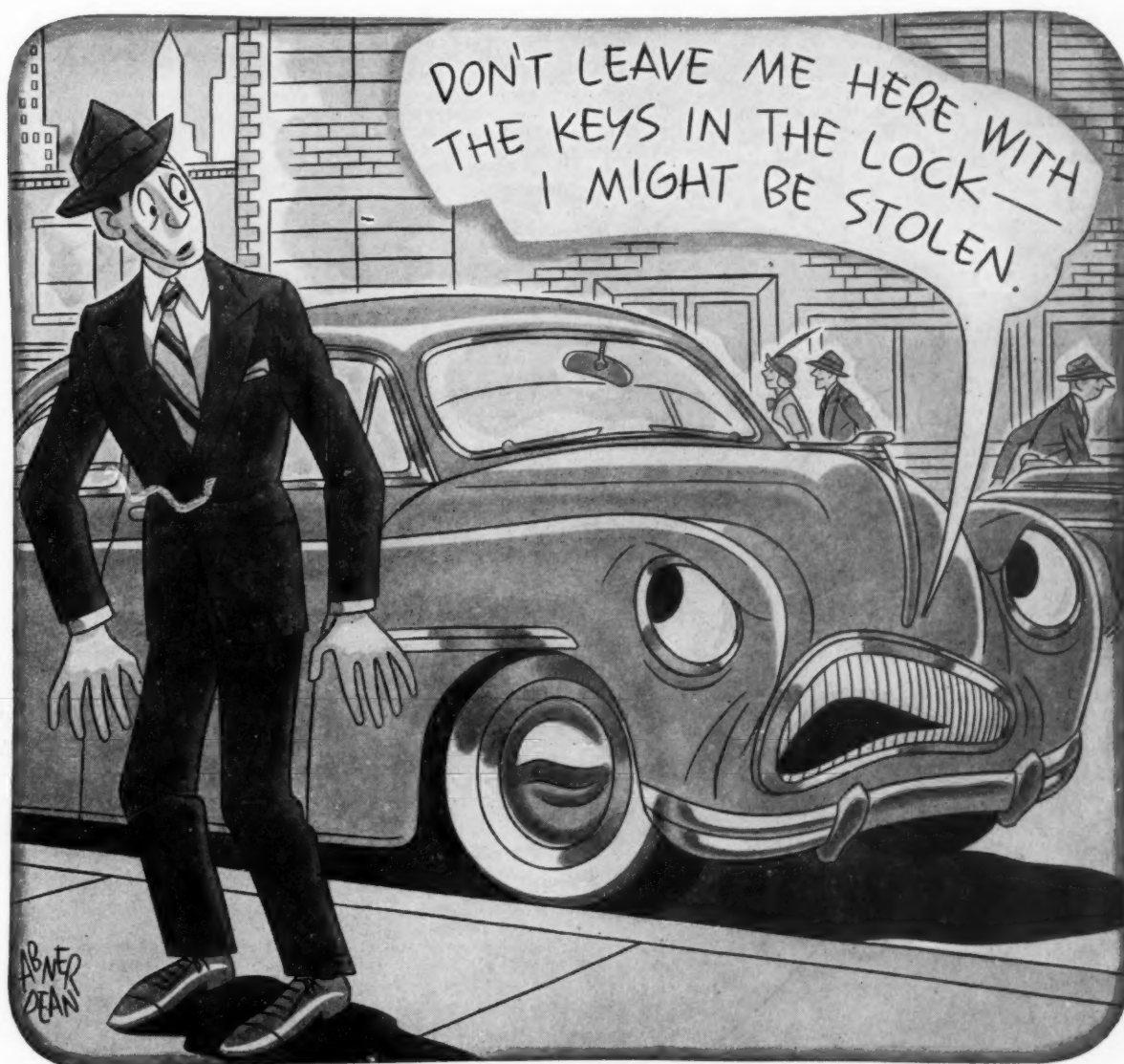
One agent commented that courts are holding policies using the term accident cover such occurrences so that insurers changing the contract language to occurrence are not giving more. This is on bodily injury only, not property damage. It is important for the agent to change the term to occurrence, which can be done, because then there is no question that may require a suit to settle. Mr. Dingwell noted not all such suits are lost by insurers. Mr. Crannell suggested agents explore beyond restaurants for insured who need products. Rates for the cover have declined and will decline further.

Head Table Guests at Banquet

Among head table guests at the banquet were T. E. Hopkins, Equitable F. & M., president Rhode Island field club; Miss Dorothy Downs, Firemen's Mutual, president R. I. Assn. of Insurance Women; Commissioner Bisson, Harry Wiley of the Connecticut association; and Geo. C. Hughes, executive secretary; C. I. Fisher, Providence, national director, who did a good big job on arrangements and management.

William Cunningham, Boston newspaper man, was the speaker. Dana Lowd, Northampton, Mass., N.A.I.A. executive committeeman, was a guest. He and James W. Cook of Providence, who attended, are the only two surviving members of the original New England advisory board organized 31 years ago. Mr. Lowd also has the distinction of being past president of two state associations—Vermont and Massachusetts. Mr. Cook helped organize the Rhode Island association in 1900 and is one of three living original members.

John Owen, secretary Corroon & Reynolds, in charge of the eastern department, was one of the few company executives on hand from New York. A number of field men were on hand from Providence and Boston.



It is reliably estimated that over 70% of all automobiles stolen have the keys in them. And hiding them in the glove compartment is only slightly less foolish than leaving them in the ignition switch. Don't be an easy mark for car thieves or reckless youngsters. Even if you are parking for only five minutes—lock the ignition—roll up the windows—lock the doors.

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Clinton L. Allen, President

FOUNDED IN 1819, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THINK FIRST OF THE ÆTNA

"Who Writes What?" in Fire and Casualty Covers Published

New Agents and Buyers Guide Contains First Such Compilation

The first published list of markets for unusual fire and casualty insurance coverages became available this week when the 1951 Agent's & Buyer's Guide came off the press at Cincinnati. The fourth edition of this annual yearbook of The National Underwriter Co. has a new section "Who Writes What?" which lists insurance companies and groups actually writing 76 unusual lines.

This compilation was taken from approved filings with state insurance departments. Among the many unusual lines for which are named insurers having made filings are errors and omissions for insurance agents, collapse, camp closure, wave damage, manufacturers output, industrial (weekly payment) fire insurance, libel, collision on non-owned automobiles, athletic teams medical payments, live stock mortality for many kinds of animals and mal-

practice insurance for such risks as chiropractors, hearing aids, barbers, manicurists, medicinal baths, osteopaths, cemeteries, masseurs, opticians and veterinarians.

This new section also carries listings of a number of surplus line and similar offices offering service in placing difficult lines, such as long-haul trucks, taxicabs, busses, etc., and also on unusual coverages which have not been filed but which are obtainable as surplus or specialty lines.

Definitions of Coverage

Each of the unusual lines for which a market is indicated in the "Who Writes What?" section is described in the first section of the yearbook, "Definitions of Coverages," and there is a page reference to the page in the definitions section on which the discussion appears. Also, the home office address of each insurer listed in the "Who Writes What?" section as writing an unusual coverage is shown in the company directory section of the volume. The company directory section includes lines written, states and territories in which the company operates and membership in company organizations, bureaus and underwriting groups.

The new "Who Writes What?" section is in addition to the older established section of the Agent's & Buyer's Guide. The "Definitions" section describes 485 different coverages, usual and unusual. The "Survey Analyzer" section contains points, broken down into different coverages, which should be watched in writing insurance, so as to provide complete protection, or in making surveys. The "Check List of

Prospects" shows coverages which may be needed by different types of insureds. Prospects are divided into 15 major groups and under each are listed coverages which are necessary, those which are supplementary and those for which the insured may have an exposure and hence should be checked. Each coverage indicated in this section is indicated by name and by the page in the "Definitions" section on which it is described. The large losses section lists losses of all types which occurred in 1950, indicating where, approximate amount, insurance situation and cause. It includes losses to individuals and to corporations and from all causes—fire, windstorm, liability, employee embezzlement, burglary, etc.?

These five sections, all keyed to each other, tell, in one volume, what a coverage is, who needs it, how it should be written, what losses have happened and where it may be obtained. In addition, there is the directory of insurance companies, a directory of insurance offices offering special services, a directory of insurance buyers with over 1,200 names and a directory of insurance buyers' associations.

The 1951 Agent's & Buyer's Guide has an entirely new flexible cover and a new paper stock which makes this 501-page book lie open flat at any page. It sells for \$5 and may be obtained from The National Underwriter Co. at 420 E. Fourth St., Cincinnati 2, or any office of the company.

The Brown general agency of Seattle has been appointed to represent Louisville F. & M. in Washington and Oregon.

Multiple Line Cause in Ohio Lost Partisans Concede

The multiple line bill has become one of the most controversial and bitterly fought measures before the Ohio legislature. The committee on insurance of the Ohio house has referred the measure to a sub-committee.

Proponents of the bill take the position that most of the other states have multiple line laws and that Ohio is about the only important insurance state that hasn't. Many out of state companies do a big business in Ohio and thus Ohio companies are placed at a disadvantage, the same situation applying to Ohio companies which are licensed in other states, proponents say. It is contended that multiple line insurance is bound to come, and Ohio might as well enact such a measure now. It is said that the proposed law would benefit insured, as it would permit a policyholder to cover all his risks in one policy. This, it is held, would be more efficient and economical.

In the opinion of some of the opponents of the bill, the financial requirements are so low as to endanger the solvency of the companies. Others say the requirements are so high as to put the small company at a disadvantage, if not eliminate it altogether. At a meeting just held Harry M. Turner, president of Cincinnati Ins. Co., said many of the present domestic companies could not have started if the restrictions contained in the bill had been in effect. He said competition would force all companies to write multiple line.

The suggestion was made that action be deferred two years, when understanding will be better and demand from policyholders greater. R. M. Baldwin, attorney for Grange Mutual Casualty, opposed the agents' licensing feature of the bill and is not sure but that the surplus requirements of the bill are too low. Clare E. Cook, Republic Indemnity, said he was afraid the bill would put his company out of business. This company wants to write only casualty insurance. He said his company could not qualify. Fred Jones, president Buckeye Union, said there was danger to small companies and policyholders. He said the other states have requirements much higher than those in the Ohio act.

Friends of the multiple line rating program have now given up hope for enactment of favorable legislation in Ohio. This will put a crimp in a number of nation-wide programs. There have been some mergers of associated casualty and fire companies in contemplation but unless some fine way is discovered to surmount the Ohio obstacle, these will have to be put in mothballs for another two years when undoubtedly a third attempt will be made to get multiple line legislation in Ohio. That state is not much given to special sessions of the legislature and there is very little likelihood of such a bill as this being scheduled to come up at any such meeting.

Some of the Ohio companies will be working under handicaps because of their home state's standpatism. For instance, the Ohio law prohibits a fire company from insuring any kind of liability hazard. There has been some question as to whether an Ohio fire company might write the combined additional E.C. contract because of its flirtation with steam boiler insurance. However, some observers believe that the Ohio law is broad enough to permit this to be done.

Nebraska is the only other state of insurance consequence that does not have multiple line legislation and it is taken for granted that Nebraska will enact a bill at this time.

The only other states that offer impediment to multiple line operations are New Mexico and Wyoming.



That's what the insured asks when he says—"I have a Boiler and Machinery policy on the equipment used in operating my laundry. Included among the objects insured are three extractors (drying machines). In the course of operation one of the extractors is improperly loaded and when brought up to speed is torn

apart by excessive vibration. Flying pieces of the extractor strike other equipment in the vicinity, doing extensive damage. The damaged equipment includes a washing machine, not insured under the policy. Will my policy pay for the damage to the uninsured washing machine?"

Makes you stop and think, doesn't it? Don't let the obvious fool you! Is it possible you are by-passing plenty of profitable Boiler and Machinery business because you feel it's too technical? If Boiler and Machinery is your weak spot, ask the Advertising Department for your copy of the latest "True or False."

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Steam Defini One i

Michigan a "shotgun" business cannot be or steam pision in such considered sion, ruptu ers, steam turbines, fly Roddis L. wood, Mich American boiler and explosion of sawmill pre inch iron c tions, each in length. 7 as to form 36 feet long, attached to a rod attached The steam propelling log into the American lower court witnesses a words "stea in some ca used in the Lumber cl steam engi biguous. American a professor said that the steam engi a cross hea and fly-wh apparent th did not hav this profess The cour was justified in question ture it and refer to it a Insurer b mission of of the wor struction o and the wit that subject competency lished, and The case w & Casualty Veneer vs.

Seek Defini The U. S isiana has t cision and determination press, being steam cylind tion of a s the exclusio In this ca suits agains that while steam cylind compress e to penetrate to the roof, damaging it to dismiss, insured aga the lower c It was th Opelousas of a contra their comm should apply have the op eral and po engine. "T the thing t same as a s The cour that some have a part in the stea that such a If the term

Steam Engine Definition Knotty One in Mich., La.

Michigan supreme court has held that a "shotgun steam feed" used in the lumber business to push logs into a saw, cannot be construed as a steam engine or steam pipe, and therefore an explosion in such steam cylinder cannot be considered excluded as loss by "explosion, rupture or bursting of steam boilers, steam pipes, steam engines, steam turbines, fly-wheels" of the insured.

Roddis Lumber & Veneer Co. at Ironwood, Mich., had a fire policy with American Alliance, excluding steam boiler and pipe explosions. In 1947 an explosion occurred in a cylinder on the sawmill premises. This cylinder, a 12-inch iron cylinder, consisted of six sections, each of which was about six feet in length. They were joined together so as to form a steam chamber or cylinder 36 feet long in which was a piston attached to a rod, the outer end of the rod attached to a carriage on wheels. The steam pushed the piston and rod propelling the carriage and pushing the log into the saw.

American Alliance objected to the lower court's admitting testimony of witnesses as to the meaning of the words "steam pipe" and "steam engine" in some cases limiting the meaning as used in the sawmill business. Roddis Lumber claimed that the definition of steam engine in the exclusion was ambiguous.

American Alliance produced a witness, a professor at the state college, who said that the layman's conception of a steam engine "is a machine which has a cross head, connecting rod, crankshaft and fly-wheel." The court said it was apparent that the apparatus in question did not have all the parts described by this professor.

The court stated that Roddis Lumber was justified in saying as to the cylinder in question that the men who manufacture it and the men who use it never refer to it as a steam engine.

Insurer had claimed error in the admission of testimony as to the meaning of the words, claiming that the construction of words was for the court and the witnesses were not qualified on that subject. The court said that the competency of each witness was established, and found for Roddis Lumber. The case was reported in CCH 35 (Fire & Casualty) 479, Roddis Lumber & Veneer vs. American Alliance.

Seek Definition in La.

The U. S. court of appeals in Louisiana has reversed a district court decision and remanded the case for a determination of whether a steam compress, being operated as alleged by a steam cylinder, comes within the definition of a steam engine as provided in the exclusion clause of the fire policy.

In this case there were seven identical suits against Republic of Dallas alleging that while insurance was in force, "the steam cylinder operating the cotton compress exploded, causing the piston to penetrate the cylinder walls and fly to the roof, falling on the building and damaging it." Republic filed a motion to dismiss, saying that the risk was not insured against. This was granted by the lower court.

It was the contention of the insured, Opelousas Compress Co., that the Louisiana civil code, which says the words of a contract are to be understood in their common and usual significance, should apply and that the insured should have the opportunity of sharing the general and popular use of the term steam engine. "The sole question is whether the thing that exploded is one and the same as a steam engine."

The court commented that the fact that some piece of machinery might have a part similar to that also found in the steam engine does not establish that such apparatus is a steam engine. If the term steam engine as employed in

the exclusion were intended to have the same meaning as steam machinery or steam apparatus, there would be no necessity for inclusion along with it of the term steam turbine. "Our conclusion is further strengthened by the association in connection with steam engines and steam turbines in the exception of 'fly-wheels.'" The court added that while it might be justified in declaring coverage as a matter of law based on its understanding of the operation of a cotton compress, it decided not to conclusively determine the matter since the precise similarity or dissimilarity

between the steam compress in question and a steam engine has not been conceded. The case is Opelousas Compress Co. vs. Republic Ins. Co. as reported in CCH 35 (Fire & Casualty) 486.

N.A.I.C. Parley Problems

Word from Boston is that those attending the insurance commissioners meeting at Swampscott, Mass., early in June must expect to face a good many angularities as far as accommodations and facilities are concerned. The New

Ocean House, which is the headquarters hotel, takes only about 250 persons and very few aside from the commissioners themselves are being put up there. The committee is being besieged with requests for accommodations there, but the building is just not elastic enough. Next best bet is the Preston hotel about a mile away, but there will be no meals served there and those staying at the Preston will have to go to the New Ocean House to eat. Then comes the commuter group that will be in hotels at Boston 12 miles away. Probably never before has the convention been so split up as this.

Announcing
**a NEW SERVICE of the
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For many months the Security-Connecticut Companies have been organizing and preparing to write bonds. The new department is now well established and working in the Companies' offices. All fieldmen have been specially trained in their new responsibilities. In most states the Security is now writing bonds, as well as casualty insurance, as is the Connecticut Indemnity.

At least six times a year for many years these companies have issued a sales promotion plan on some type of insurance or insurance agency service. Our agents have found that these plans really help them sell. So it is fitting that the first bond sales plan issued by our companies should be on one of the most popular combination bonding lines. This is the bonding-burglary line with the greatest profit possibilities for most local agents: the Comprehensive Dishonesty, Disappearance and Destruction Policy.



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THE Connecticut INDEMNITY COMPANY
HOME OFFICES: NEW HAVEN, CONNECTICUT
1841 — "SECURITY", THE NATION'S WATCHWORD — 1951

Our agents have received a new Bulletin outlining a concrete, practical procedure for selling the DDD policy. With it was sent an attractive new folder which tells about the coverages with cartoons and in easily understandable terms. Send, today, for your copy of this helpful new Bulletin and the folder, "The Case of the Disappearing Dollars" shown here. Simply clip the coupon and this valuable selling material will be mailed to you.



SECURITY-CONNECTICUT COMPANIES New Haven, Connecticut

Please mail me, without cost or obligation, your new Bulletin and folder on the Comprehensive Dishonesty, Disappearance and Destruction policy.

Name _____ (please print)

Agency _____

Street _____

City or _____

Town _____ State _____

FTC Investigating Question of Straight Wind Cover

A number of company offices at Chicago have been visited by federal trade commission investigators pursuant, they say, to a complaint of inability to purchase straight windstorm insurance from fire insurance companies. Of course the companies have been trying to get away entirely from straight windstorm coverage which has been giving a consistently bad experience. The advantage from the insurer's standpoint in extended coverage is that the amount of insurance must be the same as for the primary coverage besides the fact that there are a few pennies embraced in the price for hazards that are less severe

than wind. Buyers of windstorm insurance generally have been able to outwit the market by purchasing an uneven amount of cover. That is, they will buy just a thousand or two thousand dollars of windstorm insurance which, of course, takes care of by far the largest proportion of losses, but does not produce enough premium for the risk bearer. The insurance people would be very much surprised if FTC comes up with any formal action against the insurance companies on this score. It would, to say the least, set the stage for another interesting conflict between the federal and state authorities.

Tom Bartlett, North Baltimore, O., agent, has been elected district governor of Rotary in northwestern Ohio.

AND THEN THE CLIENT SAID **NO!**



The agent had said all the right things. He'd pointed out the risks, told the whole story, and answered objections. He'd been convincing, agreeable, and brief. But still the client said NO!

Such situations arise in spite of everything the agent can do. Pearl American recognizes that it takes teamwork between company and agent to turn tough customers into YES men. That's why we make it a point to treat agents' problems as our own problems. Without the company's flexible attitude, prompt service, good reputation, and expert underwriters' and fieldmen's advice, the agent's best efforts are often only half the battle.

To win the entire battle, more and more agents and brokers are finding that it pays to be on the team with Pearl American.

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RICHMOND 12, VIRGINIA

Give Us An Opportunity To Serve You

Buyer Appeals for Renewal Certificate

NEW YORK — A vigorous appeal for adoption of renewal certificates in the fire business was made at a meeting of Assn. of Local Agents of the City of New York by J. C. Sullivan, insurance buyer of American Chicle Co. and chairman of the committee on renewal by certificate of National Insurance Buyers Assn., New York chapter. David McFalls, president of the agents' group, was in the chair, and E. L. Clark, treasurer of J. C. Penney & Co., spoke briefly.

The purpose of the buyers' association is to build better relations with the insurance business, Mr. Clark said. Of many criticisms of the business by buyers most are due to ignorance, he said. They even criticize New York City agents and ask why they should be paid a commission. The agents earn their keep and more, Mr. Clark declared. In a city of this size with such values local agents are essential to provide the facilities necessary to get the business written.

More Favorable Regard

The buyers' association was created to increase understanding of insurance, and it is receiving many indications of favorable regard as compared with the sharp criticisms it received from insurance people when it was first announced, he said.

No institutional buyer is against use of renewal certificates so far as he can learn, Mr. Sullivan commented. Their use would streamline insurance procedures considerably. He has made an extensive study of the matter and found the only semblance of opposition from a few insurance departments on the ground that certificates would be inconvenient for auditing and stamping bureaus. This, Mr. Sullivan thinks, carries bureaucracy to the extreme.

It has been said that the certificate would prejudice the buyer's interest, but Mr. Sullivan thinks this is not a valid criticism. The institutional buyer reads his policy, rechecks and revises it frequently. It is the individual insured who puts his policy away and forgets it for three or five years or longer. Increasing or decreasing insurance now is accomplished by endorsement, and changes in coverage are accomplished in that way; why not do the same thing with the term of the policy via certificates?

Printed Policy Weaknesses

He noted that where printed policies are used it is easy to overlook such items as the falling building clause; it is a big task to proof read renewals, a job that can't be delegated because it is so important, etc. The certificate would save a lot of time and expense of institutional buyers. Agents certainly are interested in streamlining the business and saving themselves time and money.

Mr. Sullivan received a letter from National Assn. of Insurance Agents stating that failure to adopt certificates years ago is due to inertia in the business. The agents would save thousands of dollars, according to N.A.I.A., though it admitted that it is difficult to get through an innovation of this kind. N.A.I.A. indicated it is devoting considerable attention to the idea of economy, one phase of which is represented by the use of certificates.

It has also been said that agents may oppose certificate use because the question could arise as to justification of the agency commission. Mr. Sullivan can't see this argument. The commissions are well earned. He distributed copies of a suggested renewal certificate form.

Experience of One Agency

Charles D. Fraser said that at one time his local agency used between 4,000 and 5,000 certificates in Brooklyn and their use worked out very well. A policy writer can do 30 policies a day if she is good but she can do 150 certificates a day. Opposition comes from company people who have never typed a policy, Mr. Fraser said.

R. F. Moore said that with a certificate insured is apt to stay with a policy six to 12 years without change. Mr. Sullivan commented that marine policies are written on a continuous basis and that institutional buyers do not have trouble keeping up to date with

them. He added that if the buyer is careless about keeping his insurance up to date, he isn't going to be any less careless with a policy than he is with a certificate. One effect might be to stabilize the business because there would be less switching around.

The renewal certificate certainly is needed on small stuff, Mr. McFalls commented, especially household furnishings and dwelling policies where there are few changes anyway. These are a headache to handle. Mr. Clark noted that the insurance business would save a lot of paper, which is in short supply during the present defense era, and save money along with it. Mr. McFalls suggested that companies are going to object on accounting grounds. He has checked with savings and regular banks and they do not object to use of renewal certificates.

The executive committee was empowered to study the matter and report to the membership.

The additional extended coverage may go into effect in New York at any time, Mr. McFalls said, and F. W. Doremus, manager Eastern Underwriters Assn., will discuss the new cover at the May meeting.

Recovery of Gems After Plane Crash Is Dramatic

Recovery of many thousands of diamonds and rubies in the desert sand four miles from Khartoum, Egypt, more than six months after they had been scattered there in an airplane crash, and after all salvageable parts of the cargo had been considered to be collected, is featured in the advertisement on the inside cover this week. The diamonds and gems were being shipped from Palestine to America. The underwriters had been told after the crash by the Jerusalem postmaster that only one part of one package of diamonds had been returned following the crash and that about 23,000 diamonds were missing.

When it had been determined that they had not disappeared by sticking to dishonest hands, a Lloyds investigator went to the scene of the accident on a hunch that the diamonds were still in the desert sand.

He and a companion dug for 45 minutes in the 144 square yards of the area in which the crash had been reported without any success. The investigator became discouraged, but finally an object he picked up idly turned out to be a square-cut emerald. More gems were recovered by the personal digging method and then the whole mound of sand in the area was carted away in 1,600 linen sacks. They were locked up and in the following months this sand was washed, sifted and resifted to yield 58% by weight of the client's diamonds, plus 7,000 rubies and 32 emeralds. Oddly enough no one had reported the loss of the rubies and the emeralds.

Hold Northwest Fire School

Firemen from Minnesota and adjacent states attended the northwest fire school at University of Minnesota sponsored by the state fire marshal's department.

Speakers included Gov. Youngdahl, Deputy Insurance Commissioner L. C. Lund, Alton G. Goodspeed, Northern Assurance, president of Minnesota Fire Prevention Assn., on "Trained Fire Inspectors," and Walter Nolan, engineer Fire Underwriters Inspection Bureau, "Let's Talk Sprinkler Systems."

Forums on "Arson Investigations" and "Training Methods for Fire Departments" were held.

Gives Attack

Fireman underinsured a scientific era.

Backbone of the insurance industry is the direct mail letters desecration of the financial of insurance.

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Mutual Chicago

Transportation bureau is sponsoring a series of 16-17 and following of dwelling c sons are e

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Gives Agents Plan of Attack on Underinsurance

Fireman's Fund is hitting hard against underinsurance with a sales kit outlining a scientific campaign for increased coverage.

Backbone of the kit is a colorful personal inventory form that asks the insured: "Do You Know How Much You're Worth?" There are four new direct mail pieces and suggested sales letters designed to bring to the attention of the average family the serious financial dangers involved in underinsurance.

There is a plan for insured whose policies are due for renewal in 30 to 60 days. Plan two is for insured whose policies are not due for renewal. Plan three is for insured whose policies are new or are recent renewals.

"You know human nature," the increased coverage sales kit tells agents. "You bump into it every day. If an insured were as thoughtful of his home and possessions before a fire as he invariably is when it's too late, you'd have no problem in combating underinsurance. But human nature dictates that it's your job as a trusted, reliable counselor to keep the client's insurance in line with his current wealth, to remind him when it's time for a boost in coverage, and to help out on periodic inventories. Most of all it's your responsibility to give a man and his family the right to always feel secure and financially safe through adequate insurance."

Following these introductory words are detailed explanations telling the agent how to secure maximum results from his increased coverage sales efforts. Proven methods for capturing the listening ear of insured are set forth.

Mutual Bureau Plans Big Chicago Parley May 16-18

Transportation Insurance Rating Bureau is sponsoring an inland marine underwriting conference at Chicago May 16-17 and another conference there the following day on its new comprehensive dwelling endorsement. About 100 persons are expected to attend.

O. E. Ringquist, Liberty Mutual Fire, chairman of the executive committee of the bureau, will open the inland marine meeting with a description of its purposes. Underwriting of the personal property floater will be discussed by a panel led by T. L. Osborn, Jr., National Retailers Mutual, and consisting of E. Bradley, Lumbermens Mutual of Mansfield, and J. C. Pike, Indiana Lumbermens Mutual.

That afternoon E. S. Nowers, Liberty Mutual Fire; A. P. Jones, Mill Owners Mutual Fire; G. M. Madden, Western Millers Mutual; F. E. Binninger, Indiana Lumbermens Mutual; F. DuBois, Berkshire Mutual Fire, and J. H. Nolan, Associated Reciprocal Exchanges, will lead discussions on transportation insurance.

General problems in connection with various personal and business lines will

be considered Thursday. Participating in discussions will be W. Starck, Badger Mutual; F. D. Neumann, Millers Mutual Fire of Alton; R. J. Elliott, National Retailers Mutual; D. Varney, Hardware Dealers Mutual; F. F. Fowler, Federated Mutual Implement & Hardware; E. R. Sturgeon, Employers Mutual, and Messrs. Binninger, Pike, Nowers, Jones and Nolan. There also will be a talk on the insuring and replacement of precious jewels.

Geoffrey Christian, vice-president of Northwestern Mutual Fire, will lead

a panel discussion on the new dwelling endorsement which is now approved in 22 states. The panel consists of S. F. Coffin, Lumbermens Mutual of Mansfield; E. J. Raabe, Central Manufacturers Mutual Fire, and Messrs. Elliott, DuBois, Binninger, and Fowler.

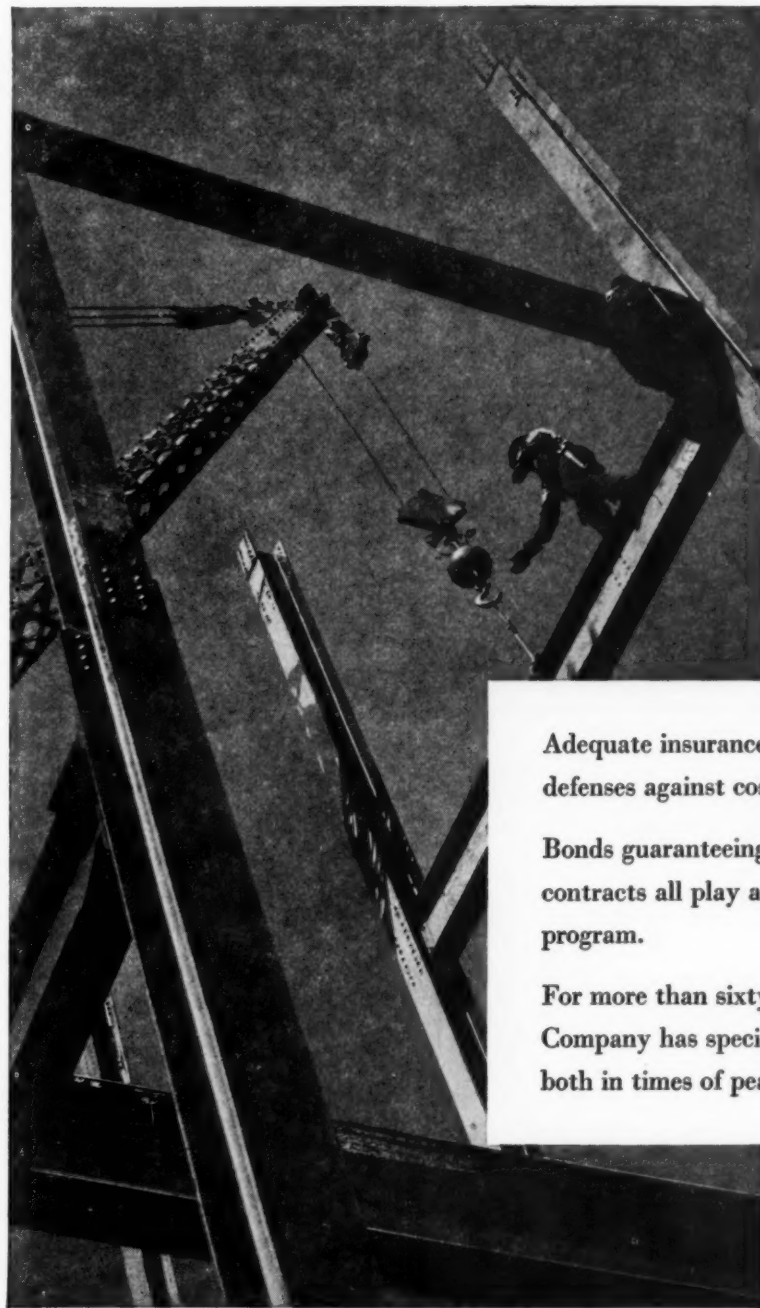
Insurance Position Upheld

CINCINNATI—Insurance opposition to an ordinance establishing a service charge for sprinkler standpipes was rewarded at a recent meeting of city

council when the ordinance was repealed.

Leaders of local insurance men were Thomas T. Bryant, Max Bernstein, and West Shell who cooperated with Property Owners Assn. The council was told that the ordinance penalized property owners who were solving the problem of fire prevention and fire protection.

The charges were based on the size of each standpipe and ranged from \$10 for 1½ inches or smaller to \$230 for 10 inches or larger.



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Adequate insurance protection is one of industry's best defenses against costly delays and unexpected hazards.

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For more than sixty years the United States Guarantee Company has specialized in this type of protection, both in times of peace and national emergency.

New Manager

The appointment of Henry C. Pitot as U. S. manager and president of the companies in the Royal Exchange group brings to that organization a man of broad experience and interest in production. He has long been active in the field for Royal-Liverpool, where he remains as agency secretary in the southern executive department until July 1, and in production and management posts at the head office.



H. C. Pitot

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Explains Federal Crop Coverage

A clear explanation of what federal crop insurance does and its limitations is set out in a memorandum to agents by Robert R. Wilkinson, field supervisor of the Rain and Hail Bureau at Chicago.

FCIC has been writing all risk crop insurance on corn and wheat in a number of counties in the corn belt states and this year extended its operations to several more counties, it is pointed out. Many agents have inquired regarding the coverage.

Mr. Wilkinson regards the all risk crop insurance policy as catastrophe cover. It insures recovery of an amount approximating the farmer's production costs if his crop is completely lost from any or all risks, including hail, covered under the policy. An indemnity under the all risk crop policy is payable if the value of the total production or an insurance unit is less than the total coverage.

All risk crop insurance on corn crops is written on two levels. Amount of insurance allowed under the higher level in Illinois ranges from \$35.30 per acre at a cost of \$1.07 or approximately 3% in Carroll county to \$25.85 per acre at a cost of \$1.56 or approximately 6% in Adams county.

	*	†	‡
Level I	\$26.00	\$8.79	\$1.47
Level II	33.60	1.21	1.47

* Per acre insurance.

† Per acre premium cost.

‡ Price per bushel to determine value of production.

Under Level II, 50 acres of corn at \$33.60 per acre equals \$1,680 insurance; 50 acres of corn times \$1.21 per acre equals \$60.50 premium for a 3.6% rate.

If on a potential yield of 80 bushels per acre there is a 70% loss from risks covered by the policy, the loss would be 56 bushels per acre; 80 bushels minus 56 bushels equals 24 bushels per acre crop remaining; 24 bushels times \$1.47 equals \$35.28 times 50 acres equals \$1,764. This remaining crop is more valuable than the amount of the government's guarantee so in this example there would be no claim under the all risk policy.

The same amount of premium would buy \$4,033 insurance under the percentage hail policy in Illinois and a 70% loss from hail would pay the policyholder \$2,823. Under the guaranteed price per bushel policy in Illinois, the same amount of premium would buy 40 bushels per acre protection at \$1.58 per bushel on 50 acres of corn or \$3,025 insurance and a 70% hail loss, which greatly exceeds the number of bushels insured, will pay the face of the policy.

The amount of a hail insurance claim will not be reduced because an insured also carries all risk crop insurance. The fact a farmer has the latter does not preclude him from carrying hail insurance.

Granniss Is Forum Moderator

E. R. Granniss, manager of the loss prevention and engineering department of Royal-Liverpool group, will be chairman of the property protection forum at a conference on current problems of industrial and institutional plant protection sponsored by New York University's Institute of Disaster Prevention May 22-24.

Atlantic Managers to Confer

The officers of Atlantic Mutual and Centennial will meet with managers of branch and service offices, including representatives from the midwest and Pacific divisions, at Virginia Beach May 7-10.

Vandivier With Travelers

Dudley P. Vandivier, formerly with Kentucky Inspection Bureau, has become a special agent of Travelers Fire

at Louisville, under Manager K. R. Dunkin.

Mr. Vandivier is a graduate of the engineering school of Citadel, and before going with Kentucky Inspection Bureau was with the engineering division of the Kentucky highway department. He is a navy veteran. He is a son of D. P. Vandivier, now an agent for Travelers, who was formerly Kentucky insurance commissioner.

Companies Give 2084 Pints of Blood to Red Cross

Employees of more than 80 fire, casualty, surety and life companies and agencies in downtown New York donated 2,084 pints of blood to the Red Cross in the two-week drive recently concluded. Half of the blood goes to the armed services and the remainder to the insurance industry blood bank.

H. A. Young, assistant manager of the metropolitan department of Home, was chairman of the drive which doubled last year's donations. There are about 30,000 insurance personnel in the area. The volume represents contributions from about 10% of the people, the difference resulting from donation postponements, etc.

The industry blood bank idea was developed last year by T. Morgan Williams, vice-president of Home. The insurance experience attracted national attention from the Red Cross which has subsequently encouraged similar drives in various cities in other businesses. Mr. Young, for example, has helped direct similar programs in the steamship, real estate, commercial banking, and stock brokerage houses in New York.

The first donors of the campaign were Mr. Williams, and Richard Rhodebeck, president of U.S. Life.

B. J. Weldon of Dulaney, Johnston & Priest has been named 1st vice-president of Wichita Assn. of Credit Men.

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Oscar Aleshire, at 90 Wins Acclaim

The 50th anniversary party of the Parker, Aleshire & Co. agency of Chicago Tuesday evening set the stage for Oscar E. Aleshire, who is just six months shy of being 90 years of age, to give a mighty and affecting demonstration of undimmed wisdom and wit and mental and emotional vitality.

In tones as strong as ever he responded to the salutes that were spoken to him on this occasion with a mixture of pleasantry and sentiment and he gave an autobiographical sketch that possessed the finest whimsical twists. The group included insurance company representatives, a few old friends from the Chicago Board of which Mr. Aleshire is a past president and numerous important customers of the agency, some of whom were old friends of Mr. Aleshire. A few of those present knew what to expect when Mr. Aleshire stood up to speak but there were many who did not and who were stunned by the majesty of his appearance.

Makes Comparison

One of the guests afterwards went to Mr. Aleshire and praised him and what he had to say so ecstatically that Mr. Aleshire with a twinkle in his eye asked:

"How did it compare with Mac-Arthur's?"

The dinner was held at Chicago Athletic Assn. Mr. Aleshire's sons who now operate the agency shared the presiding honors, they being Merlin Aleshire and Donald Aleshire. Through the latter's line, incidentally, Oscar Aleshire the week previous became a great grandfather with the birth of a daughter at Ft. Lee, Va. to Donald's daughter, and son-in-law, Lt. and Mrs. Ray Vilas.

W. A. Rattelman, president of National Union, Fire, spoke in appreciation of the agency. It was E. E. Cole who was then secretary of National Union that was responsible for E. A. Parker and Mr. Aleshire who were then brokers getting together to form the agency in 1901. Also speaking words of appreciation were W. W. Hamilton, manager of the Chicago Board; Fred Sauter, Chicago local agent and also former president of Chicago Board and Dr. Harold Bowman, minister of First Presbyterian Church of Chicago. Oscar Aleshire has been a member of that church 48 years. Dr. Bowman spoke of Mr. Aleshire's keenness of mind, his judicious sense, his vigorous and articulate mentality. He said that Mr. Aleshire can say what he thinks and say it interestingly. He quoted Mark Twain's observation that the difference between the right word and the almost right word is the difference between lightning and the lightning bug and he said that Mr. Aleshire's words are lightning. He spoke of Mr. Aleshire's breadth of interest and concerns. He praised the valor and courage in his life. "When a new proposition comes up Mr. Aleshire," Dr. Bowman said, "has never been one to drag his feet. He has possessed an optimistic and courageous spirit and has always manifested concern for things that are abidingly worth while."

On Way to Montana

Mr. Aleshire had just gone to Chicago from Clermont, Fla., where he had spent most of the winter. He is going on to Helena, Mont., where a daughter resides and that is where he is spending most of his days. He will stop at Rock Island, Ill., to visit the Modern Woodmen people. For a number of years he was president of that big fraternal.

Besides Mr. Rattelman, the company executives from the east who attended the dinner included James B. Thomas, secretary of National Union and Gay Gleason, general counsel of Employers Liability.

National Union was host at a smaller gathering for the Aleshire organization Wednesday evening.

Mr. Aleshire got in the insurance

business at Chicago in 1890 in C. H. Case & Co., an organization that was serving as northwestern department managers of Royal. For the previous seven years he had been located at Buchanan, Mich., for four years as superintendent of schools and then for three years as proprietor of a newspaper. He was elected to the Michigan legislature in 1889 and when he went back to giving full-time attention to the newspaper after the first session in the legislature, he discovered that that enterprise had slipped badly and he decided to make the move to the big city. After a year or so with C. H. Case &

Co., Mr. Aleshire went out on his own as a solicitor for Royal in what was known as compact territory in Cook county. Later he became a broker.

Shortly after National Union was formed in 1901, E. E. Cole, then secretary, went to Chicago to see about getting agency representation there. Rather than going into an established agency with the probability of getting only its crumbs, he approached the late Edward A. Parker, who was also a broker and said that if he and Mr. Aleshire, whom Mr. Cole had heard of favorably, would form a partnership he would give them the agency of National Union. Mr. Ale-

shire was not in Chicago at that time but he went to Pittsburgh at Mr. Cole's invitation and the agency was formed on that basis. Mr. Aleshire bought out Mr. Parker's interest in the 1920's.

N.A.U.A. Meeting May 23

National Automobile Underwriters Assn. will hold its annual meeting May 23 at the Waldorf-Astoria Hotel at New York.

Insurance Federation of Ohio will hold its annual meeting at the Fort Hayes hotel, Columbus, May 22.

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Ask your local Fire Association or Reliance field man for a supply of his new Personal Property Inventory Books. They're a useful way to remind your clients how much they have in their homes—and how much insurance they need to cover it adequately.

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NEWS OF FIELD MEN

Ohio Groups Make Plans for June Annual Rally

The nominating committee of Ohio Fire Underwriters Assn. has named the following as candidates for the election to be held at its annual meeting at Uniontown, Pa., June 12-14: President, Harold D. Smith, Glens Falls; vice-president, W. L. Cowan, New York Underwriters; secretary, William A. Gibson, Jr., North British.

The association at a meeting May 8 at Columbus will hear C. R. Hartwell, Factory Insurance Assn. The executive committee will meet the previous afternoon. The executive committee of Ohio Fire Prevention Assn. will meet May 7 and that same day the Speakers Club will hear Julian Bowers, E. C. Knoop, Pacific National, and Mansell F. Davis, Aetna.

The Blue Goose will hold an initiation, annual meeting and stag dinner on May 7. Allen C. Guy, Western Adjustment, will be the toastmaster and Howard R. Underwood, Providence Washington, will present honorary memberships.

A town inspection is being held at Niles May 3. Wade K. Wissler, Automobile, Cleveland, is chairman.

Mont. Men Hear Reports

Reports on public relations, agents' meetings and legislation were given at the midyear meeting of Montana Fire Underwriters Assn. at Butte last week. R. S. Aitken, Home, described public relations activities and the conference on that subject conducted at San Francisco last month. President L. A. Panger, St. Paul F. & M., reported on the Far West Territorial Conference of National Assn. of Insurance Agents, and Frank J. Sullivan, assistant manager of Montana Fire Rating Bureau, discussed laws enacted by the 1951 Montana legislature.

Name Kimzey in Kansas

Crum & Forster has appointed Dee R. Kimzey as special agent in Arkansas. He has been with the organization at the western department at Freeport since 1949 and has had experience in all the departments. His headquarters will be at Wichita. Mr. Kimzey was with the air transport command during the war.

N. C. Club Has New Officers

The first meeting of Stock Fire Insurance Field Club of North Carolina under its new officers was held at Greensboro. H. H. Aderhold of Mebane & McAlister, general agents, Greensboro, is the new chairman and C. R. MacGill, American, Raleigh, vice-chairman.

Committee chairmen are: Executive, S. Linton Smith, W. N. H. Smith & Sons, general agents, Raleigh; public relations, Samuel F. Padgett, III, Virginia F. & M., Greensboro; publicity and educational, Frank W. Hook, New Hampshire, Raleigh; entertainment, R. H. Lewis, National Union, Greensboro.

Golf Tourney at San Diego

San Diego puddle of California Blue Goose held its annual golf tournament with 57 in attendance, including 23 members of California pond from Los Angeles. V. C. Smith won the cup for low gross and Paul Schminke low net.

To Meet at Rockaway Beach

The annual meeting of Missouri Fire Prevention Assn. is to be held at Rockaway Beach, Mo., May 23-25. Missouri Fire Underwriters Assn. will also hold a meeting May 24.

Old Timers to Take Charge

LOS ANGELES—California Blue Goose at its meeting May 4 will turn the entire proceeds over to the "Drakes" (informal club composed of

past most loyal ganders) and they will put on an "old timers" night.

One of the features will be the presentation of 25-year pins to Frank J. Hagen, resident secretary of Loyalty group; E. W. Dunn, Sr., of Ferris & Dunn and George Nickerson.

The pond will hold its annual picnic for members and their families May 26.

Elect Marshall in Montana

Ellis Marshall, special agent for the Sogard general agency of Billings, was elected most loyal gander of Montana Blue Goose at the annual meeting. W. J. Bloomdahl, Hartford Fire, was named welder; M. S. McLelland, North British, is supervisor; Paul Christenson, America Fore, guardian; Kenneth H. Burrell, Fireman's Fund, custodian and Kenneth D. Edwards, Commercial Union, keeper.

Hold Spring Stag at Wichita

Sunflower Blue Goose puddle at Wichita had a good turnout for its spring stag April 27. A program of outdoor and indoor sports was arranged by a committee headed by Jack Lygate,

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Royal-Liverpool. At the April 30 meeting plans for entertaining the Kansas pond at its annual meeting at Wichita May 15-17 were outlined.

Discuss Forms at Pa. Meet

Douglas Cassar, district manager of Middle Department Rating Assn., will talk on "Forms" at the May 9 meeting of Anthracite Field Club of Pennsylvania at Wilkes-Barre.

Seattle Pond Meets at Tacoma

Seattle Blue Goose held its monthly dinner meeting at Tacoma. Each year Seattle members journey to Tacoma for an evening session with members residing there.

The pond has tentatively selected June 29 for its annual meeting. Miles F. Jacobs, Washington Surveying & Rating Bureau, chairman of the membership committee, is making plans for an initiation.

Several Sioux Falls field men have just moved their offices to the Paulton building, including Cal Dalbey, Northwestern Fire & Marine; George Schumacher, Fireman's Fund; A. M. Timm, St. Paul, and William Kunze, attorney for Travelers. The building is now mainly occupied by insurance people.

R. W. Wallace, Royal-Liverpool, spoke to the Lions club at Bartlesville, Okla., on "Private Enterprise—the Good Job It Is Doing in National Economy and Carrying Its Share of the Tax Burden."

Indiana Fire Prevention Assn. on May 16 will inspect Decatur, Ind. Future inspections have been slated for Angola June 13, Mishawaka Sept. 12, and Mount Vernon Nov. 8.

NEW YORK

LOCKSMITHS FEATURE INSURANCE

A forum on fidelity bonds and general insurance featured the recent monthly meeting of the New York Locksmiths Assn. The group was addressed by Peter A. Zimmermann, assistant secretary of Surety Assn. of America, on fidelity bonds; and by Calvin Raff, Raff Agency, Flushing, on general insurance coverages. George Huwel, Royal-Liverpool, assisted during the question and answer period.

AUTO CLAIMS DINNER

The annual dinner and entertainment of Automobile Claims Assn. of New York City will be held there May 4. New officers will be introduced: E. D. Meserole, New York Underwriters, president; James D. Sherwood, London Assurance, vice-president; C. J. Ryan, Great American, treasurer; Clifford Gunderson, Home, secretary; K. R. Buckton, Globe & Rutgers, director.

CHICAGO

NEW W.U.A. COMMITTEES

Following the annual meeting of Western Underwriters Assn., the committees have now been reconstituted. The governing committee, with a chairman yet to elect, consists of Paul H. Barr, Hanover; E. D. Lawson, Fireman's Fund; H. M. Mountain, Aetna Fire; Olaf Nordeng, Automobile; W. A. Seely, Crum & Forster; Charles E. Dox, London & Lancashire; K. B. Hatch, Fire Association; H. W. LaRue, America Fore; W. E. Newcomb, Great American, and W. L. Nolen, North British & Mercantile.

Chairman of the Rocky Mountain committee is S. T. Shotwell, North British & Mercantile, San Francisco. The other Pacific Coast members are Raymond L. Ellis of Fireman's Fund; Richard Orlow of Atlas; J. C. Qualmann of Royal-Liverpool and George E. Stroub of Home. The Chicago members are E. A. Henne, America Fore; W. E. Newcomb, C. W. Ohlsen, Sun, and C. H. Smith,

Hartford Fire.

Chairman of the public relations committee is George V. Whitford, Fire Association, and the members are Paul H. Barr, Nick Dekker, America Fore; F. L. Ludington, C. J. Mullican, Jr., Fireman's Fund; W. A. Seely, R. B. Shepard, Jr., St. Paul F. & M.; E. S. Whitcombe of Hartford Fire, and C. L. Zook of National Fire.

Chairman of arrangements committee is H. W. LaRue; conference committee chairman, E. H. Forkel, National Fire; cooperation in loss adjustment

practices, W. E. Newcomb; finance, Paul H. Barr; fire protection engineering; J. C. Harding, Springfield F. & M.; forms, C. W. Ohlsen, and membership, P. S. Beebe, Hartford Fire.

OFFICE HARD HIT BY WAR

The Chicago office of Associated Aviation Underwriters has been hard hit by the Korean war. Three of the staff assisting Manager E. L. Stephenson have been recalled to duty in the army and navy. Lt. Comdr. William E. Woodman is now flying jet planes off the

USS Boxer in the Korean waters, and Major Earl Voelz and 2nd Lt. Donald Wilson are now at Tinker field, Okla., in training with their air force unit. Mr. Stephenson has had four men on his staff and is now operating with only one.

The W. J. Foster metropolitan supervising agency of Chicago has moved from its location in the Insurance Exchange building to room A-657 in that building. They had been in room 1027 since the building was built.

THESE 5 America Fore ADS WILL APPEAR IN NATIONAL MAGAZINES DURING MAY

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Following the annual meeting of Western Underwriters Assn., the committees have now been reconstituted. The governing committee, with a chairman yet to elect, consists of Paul H. Barr, Hanover; E. D. Lawson, Fireman's Fund; H. M. Mountain, Aetna Fire; Olaf Nordeng, Automobile; W. A. Seely, Crum & Forster; Charles E. Dox, London & Lancashire; K. B. Hatch, Fire Association; H. W. LaRue, America Fore; W. E. Newcomb, Great American, and W. L. Nolen, North British & Mercantile.

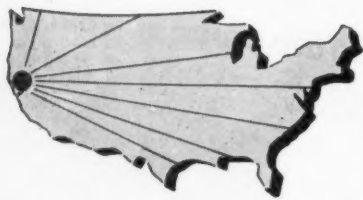
Chairman of the Rocky Mountain committee is S. T. Shotwell, North British & Mercantile, San Francisco. The other Pacific Coast members are Raymond L. Ellis of Fireman's Fund; Richard Orlow of Atlas; J. C. Qualmann of Royal-Liverpool and George E. Stroub of Home. The Chicago members are E. A. Henne, America Fore; W. E. Newcomb, C. W. Ohlsen, Sun, and C. H. Smith,

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SOUTHERN DEPARTMENT • ATLANTA
OFFICES IN PRINCIPAL CITIES
COAST TO COAST

N. C. Rates Are Cut \$260,000

RALEIGH, N. C.—Fire insurance rates on apartments have been cut by 25% and residential rates have been reduced 2% to 10% in the revised rating schedules filed by North Carolina Fire Insurance Rating Bureau and approved by Commissioner Cheek.

The bureau estimated premium reduction to amount to \$60,600 on apartments and flats and \$203,400 on dwellings. Farm property and residences in unprotected zones were not changed.

The new rates are effective June 15 but apply to all business written after May 1.

Lange Renamed in Wis. to Allow Salary Boost

MADISON, WIS.—Commissioner Lange has been reappointed by Gov. Kohler for the balance of the unexpired term of the late Morvin Duel, and the appointment was confirmed by the senate.

The reappointment was made necessary because the Wisconsin legislature recently voted to increase the salaries of all state officials. As the constitution prevents raising the salaries of officials during their term of office, a bill was put through to end the terms of all appointive officials and giving the governor the right to make new appointments or to reappoint incumbents. Accordingly, Gov. Kohler renominated all appointive incumbents to serve out their present terms, to enable them to have the advantage of the salary boosts, effective May 1.

The unexpired term ends June 30, and it is expected that Mr. Lange will be renamed for the regular four-year term on or before that time. This will enable him to qualify for the increase in salary from \$7,500 to \$9,000.

Lloyds Insures N.O.M.A. Meet Against Cancellation

National Office Management Assn. has insured its international convention against cancellation, postponement or abandonment resulting from U. S. government order or an outbreak of war involving this country, according to W. H. Evans, executive vice-president of the association. London Lloyds carries the insurance in an undisclosed amount.

It is believed that this is the first time a meeting of this type has been insured against cancellation. The association is planning to hold the convention at New York May 20-23.

Three Reciprocals in Soup

Of the three Chicago reciprocals against which the insurance department has brought proceedings, Great Lakes Auto Insurance Group has been placed in charge of the insurance department as liquidator, although there is pending a petition in behalf of the management to set aside the order of liquidation; and actions against Progress Insurance Assn. and Farmers Security Inter-Insurance Exchange are still pending in the courts.

Allow Assessment Pools

The Nebraska legislature passed a bill providing that assessment insurance associations may form pools against certain hazards.

Ill. Farm Agents to Meet

Illinois Farm Insurance Agents Assn. will hold its annual meeting June 14 at Peoria. A. J. Wegeng, Villa Grove, is the president.

OK's 2 N. C. Tobacco Forms

RALEIGH—Commissioner Cheek has approved the named peril seasonal crop policy for tobacco and a new harvested

tobacco-farm floater form. The new forms will be available for the 1951 crop season. North Carolina is the largest grower of flue-cured tobacco in the nation.

Valuations Meeting Set

The subcommittee of the N.A.I.C. committee on valuation of securities will meet at New York May 14-15.

The agenda includes discussions of proposed changes in resolutions governing valuation of securities for 1951 statements and instructions for those reports; the market value at which the

new 2¾% government bonds are to be carried; the proposal of the joint committee of Life Insurance Assn. of America and American Life Convention on valuation of assets; the report of the permanent committee's staff on new quality factor tests in securities valuation; modification of resolutions covering valuation of oil and gas production loans, and the budget and annual report of the permanent committee. Allyn of Connecticut is chairman.

Ray Jennings and Arthur Dill of American addressed the meeting of *Flint Assn. of Insurance Women* on "Comprehensive Personal Liability Policy."

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BY
WILLIAM M. MORTIMER

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Do you know about the responsibilities of bailees?

Do you know the part played by memorandum agreements, bills of lading, storage receipts and other documents?

Do your policies properly protect your assureds?

Do you know how to protect the rights of all concerned where third parties are responsible?

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Wis. Takes Steps to Avoid Mich. State Catastrophe

MADISON, WIS.—In order to avoid a loss of millions, such as occurred in connection with the recent state office building at Lansing, Mich., capitol officials here have taken steps to remove the danger of fire in the capitol as well as to increase the insurance coverage of that building.

Commissioner John R. Lange stated that fire prevention recommendations covering the capitol and state office building were recently submitted by his office to State Chief Engineer C. A. Halbert. A number of them, including the additional standard installation and arrangement of fire extinguishers and improvements in the standpipe and hose systems, have already been complied with. Considerable attention is also being given to the elimination of combustible storage materials, and department heads have been notified to reduce their storage areas to a minimum. Consideration is also being given to installing automatic fire extinguishing equipment in the building process sections used for occasional woodworking, metal working, and painting. Celluloid and acetate safety film is used exclusively, and no storage of hazardous nitro-cellulose film is permitted.

Fire Fighters Posted

He also stated that after a conference with Chief Page of the Madison fire department several of its officials made a special study of the statehouse in order to become more familiar with the occupancy features. They have since prepared detailed plans for use in fighting any fire in the capitol with the object of minimizing fire and smoke and water damage. Both the fire department and insurance department officials and inspectors have agreed that building maintenance and housekeeping conditions are better than average here.

While Mr. Lange, who is also state fire marshal, has only arson, and not prevention, among his duties, his intention is to have the capitol building insured for \$17,100,000 in the state insurance fund which is under his jurisdiction.

A bill is pending to provide the increased coverage which is now limited to \$500,000. It also authorizes him to obtain reinsurance coverage. The bill appropriates \$7,022 for such protection from fire for the two-year period beginning July 1, 1951.

State Office Building Covered

The state office building, two blocks east of the capitol, is already adequately insured, he declared. The amount is \$3,680,000. As the building was erected from loans from the state fire insurance fund title still remains in the insurance department. Some \$1½ million is still unpaid but it has been proposed to the legislature to liquidate this indebtedness, upon which interest is being paid by the state building commission.

At a recent meeting of the insurance and banking committee of the lower house of the legislature, Commissioner Lange explained that the present law permits all state-owned buildings to be insured up to 90% of their value, except the capitol and Wisconsin State Historical Society's library and museum. The present limit on the capitol is \$500,000 and on the library \$200,000. These restrictions are being removed in the pending bill. The capitol is valued at \$19 million and the 90% provision would provide coverage of around \$17,100,000 for the statehouse. The library will be insured up to \$1 million. He also informed the legislators that if the state should get caught with a fire loss of around \$3 million it would wipe out half of the state fire fund surplus of about \$7 million.

The old capitol building was largely destroyed by a night fire in February of 1904. Work on the new granite and

marble statehouse began shortly thereafter, the last wing having been completed in 1917. It and the capitol park, in the center of Madison, occupies four square blocks. It is one of the show-places of the state.

Big Loss at Passaic

The blaze which recently swept the five story Tudor Court apartments, 260 Gregory Ave., Passaic, N. J., will produce an estimated insurance loss of \$200,000, including building and contents.

Between 50 and 60 individual claims,

ranging from \$1,000 to \$15,000, have been filed. Claimants include apartment occupants as well as commercial tenants who had rented stores on the street floor. The building owner carried \$60,000 rents insurance. The fire began in a fifth floor apartment when a child overturned a lighted candle.

Compromise on Wrongful Death

ST. PAUL — After wrangling for several weeks over the issue, the senate and house in the closing hours of the Minnesota legislature reached a compromise on the maximum liability for

wrongful death. The senate favored no limit while the house bill called for \$15,000. The compromise puts it at \$17,500. It has been \$10,000.

Charles F. Wayland, Jr., who has been state highway commissioner of Tennessee for over a year, plans to resign June 1 to return to his local agency at Knoxville.

Manufacturers & Merchants Indemnity has moved into larger offices in the Free Press building, Detroit, due to expansion of its Michigan operations. F. K. Francis is manager there.



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Convention Dates

May 7-8, New York Agents, annual, Hotel Syracuse, Syracuse.

May 8, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York.

May 7-11, National Fire Protection Assn., annual, Hotel Statler, Detroit.

May 9-11, Alabama Agents, annual, Battle House, Mobile.

May 9-11, Iowa Agents, annual, Des Moines.

May 10-11, Casualty Actuarial Society, annual, Seaview Country Club, Absecon, N. J.

May 14-15, Oklahoma Agents, annual, Skirvin Hotel, Oklahoma City.

May 14-16, Health & Accident Underwriters Conference, annual, Detroit.

May 14-16, Insurance Accounting & Statistical Assn., Palmer House, Chicago.

May 17, Midwestern Independent Statistical Assn., annual, Hotel La Salle, Chicago.

May 17-19, Georgia Agents, annual, Radium Springs Hotel, Albany.

May 21-22, Inland Marine Underwriters Assn., annual, Skytop, Pa.

May 22-23, National Assn. of Insurance Brokers, annual, Somerset Hotel, Boston.

May 23, Connecticut Agents, midyear, Norwich Inn, Norwich.

May 24-26, Texas Agents, annual, San Antonio.

June 8-6, National Assn. of Insurance Commissioners, annual, New Ocean House, Swampscott, Mass.

June 7-9, National Assn. of Independent Adjusters, annual, Baker Hotel, Dallas.

June 10-13, International Assn. of A. & H. Underwriters, annual, Dallas.

June 11-13, American Assn. of Managing General Agents, annual, Glenwood Springs, Colo.

June 12-14, Ohio Field Clubs, Summit hotel, Uniontown, Pa.

June 14-16, Arkansas Agents, annual, Arlington hotel, Hot Springs.

June 14-16, Virginia Agents, annual, Cavalier Hotel, Virginia Beach.

June 19-21, Michigan Fire Underwriters Assn., annual, Ramona Park hotel, Harbor Springs.

June 21-22, Maryland Agents, midyear, George Washington hotel, Ocean City.

June 24-26, New England Assns. of Insurance Agents, summer meeting, Poland Springs, Me.

June 28-30, National Assn. of Insurance Counsel, White Sulphur Springs, W. Va.

Aug. 19-21, Washington Assn. of Insurance Agents, annual, Winthrop hotel, Tacoma.

Aug. 20-22, West Virginia Agents, annual, Greenbrier, White Sulphur Springs.

Aug. 23-24 Oregon Agents, annual, Baker hotel, Baker.

Sept. 5-7, C.P.C.U., annual, Palmer House, Chicago.

Sept. 10-12, Michigan Agents, annual, Grand Hotel, Mackinac Island.

Sept. 10-12, International Claim Assn., annual, Monmouth Hotel, Spring Lake, N. J.

Sept. 10-13, Michigan Assn. of Insurance Agents, Grand Hotel, Mackinac Island.

Sept. 10-13, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Sept. 17-18, Utah Agents, annual, Hotel Newhouse, Salt Lake City.

Sept. 18-19, Western Underwriters Assn., Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 23-26, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 27-28, New Jersey Agents annual, Hotel Berkeley-Carteret, Asbury Park.

Sept. 30-Oct. 4, National Assn. of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Hotel Statler, Detroit.

Oct. 5-6, Tennessee Agents, annual, Andrew Johnson Hotel, Knoxville.

Oct. 5-6, Colorado Agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 21-22, Ohio Agents, annual, Cincinnati.

Oct. 24-25, Kansas Agents, annual, Kansas City.

Oct. 29-30, Illinois Agents, annual, Peoria.

Oct. 29-31, Bureau of A. & H. Underwriters, annual, Homestead, Hot Springs, Va.

Oct. 29-31, American Mutual Alliance, National Assn. of Automotive Mutual Insurance Companies, and National Assn. of Mutual Casualty Companies, Edgewater Beach hotel, Chicago.

Oct. 29-31, California Agents, annual, Biltmore hotel, Los Angeles.

Nov. 1-2, Nebraska Agents, annual, Hotel Fontenelle, Omaha.

Nov. 6-7, National Assn. of Independent Insurers, annual, Edgewater Beach hotel, Chicago.

Nov. 13-15, Maryland Agents, annual, Lord Baltimore hotel, Baltimore.

Paul A. Hammel Nevada's First Commissioner

Paul A. Hammel, who has become the first head of the new insurance department of Nevada which has now been set up as an agency independent of the state controller's office, is a graduate of State Teachers College at LaCrosse, Wis., and he engaged in post-graduate work there and at University of Pittsburgh and University of Wisconsin. He was a school teacher about 17 years and for seven years was an insurance agent handling both property and life insurance. He was named insurance director in the state controller's office Jan. 2 of this year and he became insurance commissioner with the establishment of a separate department on April 1.

Mr. Hammel is past-president of Kiwanis Club of Las Vegas and is now national committeeman of Veterans of Foreign Wars of Nevada, and is a past state commander. He is a lieutenant colonel in the army reserve.

Mr. Hammel intends to attend the N.A.I.C. meeting at Swampscott in June.

Mr. Hammel states that license examinations will be held at Carson City at 9 a. m. the second Wednesday of each month. Arrangements are also being made to give examinations at Las Vegas, Ely, Elko, Winnemucca and Tonopah.

Mr. Hammel, in his first department bulletin, stated that it is the opinion of his office, "upheld by a court decision that promiscuous writing of ordinary passenger automobile coverage in unauthorized companies is not surplus insurance, but a violation of the Nevada law. He said violators will be vigorously prosecuted.

He calls attention to the fact that a bill has been passed making it illegal for an insurer to pay a commission to anyone for coverage written on a risk in Nevada unless the agent, non-resident agent, broker, or non-resident broker writing the coverage is licensed in Nevada. Accordingly, he said, no one should countersign a policy for a non-resident agent or broker unless he knows the latter is to be licensed in Nevada.

Mr. Hammel has also set forth the procedure that is to be followed in writing surplus lines. The agent must apply for a written authorization prior to placing the coverage. In the request for authorization there must be given a statement of what the risk consists of, its location, statement that coverage is not available through authorized company, a statement that the company desired to be used is solvent, a statement that the agent will be personally responsible for collecting the premium tax and re-

mitting it to the state immediately. Those licensees with enough business to require frequent coverage through Lloyds may make a request for blanket authority for the calendar year on the same responsibility and reporting basis.

Wilkerson New President of Ga. Mutual Companies

J. R. Wilkerson, Farmers Cooperative of Rome, was elected president of Georgia Assn. of Mutual Insurance Companies at its annual meeting at Savannah Beach. Fred Wessels, Jr., Atlantic Mutual Fire, was named vice-president, and J. M. Starr, Farmers Mutual Fire, secretary. Ralph L. Brantley, Farmers Mutual Fire, the retiring president, was named national director.

Included on the program were Harry L. Gross, Des Moines, Ia., president, and Harry Cooper, Indianapolis, secretary, of the National association.

Farm Cover Inadequate

A warning relative to underinsurance of farm buildings has been issued by Warren Vincent, Michigan State College agricultural economist, who recently conducted a survey of the farm coverage situation. He said he found many farmers had failed to keep their coverage up to present-day valuation standards and noted that a fire, in many cases, would virtually ruin many a farmer financially. He recommended further that the average farmer make a study of his insurance needs, since fire coverage alone is insufficient.

New officers of Insurance Women of Topeka were installed at a dinner-meeting May 2. They are: President, Mrs. Ralph C. Smith, Kansas Inspection Bureau; vice-president, Miss Esther McFall, National Fire; secretary, Miss Margaret Rathert, Meade Co.; treasurer, Miss Freda Taylor, Home. The installation was conducted by Mrs. Eleanor A. Sage, president National Assn. of Insurance Women.

Louisville Fire & Marine has been readmitted to North Carolina and has been licensed in Washington and Oregon.

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*Includes

Insurance Representation High at Arson School

The annual seminar and training course in arson investigation was held at Purdue University last week.

Insurance organizations were well represented with a number of their representatives appearing on the program. Those affiliated with National Automobile Theft Bureau who appeared on the program were William J. Davis, manager at Chicago; Glen Shiffett, special agent at Atlanta, and C. C. Benson, manager at Dallas. The National Board was represented by William Braun, chief special agent, Chicago, and Miles B. Smith, special agent at Dallas. John Kennedy and R. Steinmetz, special agents at Chicago, appeared for Mutual Investigation Bureau.

Others on the program included Norman Davis, Underwriters Laboratories; George H. Parker, manager Kentucky Inspection Bureau; Allen Guy, manager Western Adjustment, Columbus, O.; and Robert F. Hamm, director of fireman training Indiana Rating Bureau.

W. H. Scates Is Advanced

W. H. Scates has been appointed vice-president in the brokerage department of D. K. MacDonald & Co., Seattle general agency. Mr. Scates joined the agency three years ago. Previously, he was insurance buyer for Carnation Co. from 1932 to 1948.

Oregon Committee Meets

Oregon conference committee of Pacific Fire Rating Bureau held its annual session at Portland, conferring with committees representing agents and field men and local rating bureau officials. A. V. Holman, America Fore, is chairman.

To Hear Officers' Reports

King County Insurance Assn. at a meeting May 10 at Seattle will hear reports of the officers on the recent Far West Agents Conference and the mid-year meeting of N.A.I.A. directors.

Reports will be made by Thomas A. Harman, president; William C. Greer, vice-president, and LeRoy Hunter, secretary.

N. Y. Women Elect Mrs. Buerger

Mrs. Helen Buerger, Schenectady, was elected president of Federation of New York Insurance Women's Clubs at the

annual convention at Glens Falls. Other officers are: Vice-president, Mrs. Gladys Putnam, Gloversville; secretaries, Miss Ruth Van Kerkove, Rochester, and Miss Lorraine Garwacki, Schenectady; treasurer, Miss Charlotte Lozier, Poughkeepsie.

Ill. Undertaker Moves

The bureau of conservations, rehabilitations and liquidations of the Illinois insurance department has now been moved to Room 405 in the State Office building at Chicago at 160 North La Salle street. It has been located in the

Insurance Exchange building. Frank Bartsch, chief deputy of the Illinois department, has this under his wing.

Summer Fellowship Plan

Members of American Assn. of University Teachers of Insurance have been supplied with application forms in connection with the summer fellowship program. Fire, life and casualty companies have agreed to accept a limited number of teachers as fellows during the summer. The period of "internship" ranges from four to six weeks and the companies will pay the transporta-

tion expenses and will give the professors \$60 a week. A procedure for sifting the applicants has been set up, but the individual companies will make the final decision on the selection. The program will be adjusted to the interests of the individual professor. He will devote much of his time to interviews and attending committee meetings. Each professor will have a company adviser who is an officer.

Jerry Casey, local agent at Shawnee, Okla., has been named Oklahoma "Citizen of the Year," by the local Kiwanis club.



STOCKS

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May 1, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	31	32
Aetna Fire	2.25*	52 1/2	54
Aetna Life	2.50*	68 1/2	70
American Alliance	1.50*	28	29 1/2
American Auto	2.00	44	Bid
Am. Equitable	1.50	25 1/2	27 1/2
American (N. J.)	1.00	21	22
American Surety	3.00	53 1/2	55
Boston	2.65*	56 1/2	58
Camden Fire	1.15*	21 1/2	22 1/2
Continental Casualty	2.50*	63 1/2	65
Fire Association	2.60	56 1/2	58
Fireman's Fund	1.60	51	53
Firemen's (N. J.)	.70	20 1/2	21 1/2
Glens Falls	2.30*	54 1/2	56
Globe & Republic	.80	13 1/2	14 1/2
Great American Fire	1.50*	34	35 1/2
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	127	130
Home (N. Y.)	1.80	36	37 1/2
Ins. Co. of North Am.	5.00*	142	143
Maryland Casualty	.80	20 1/2	21 1/2
Mass. Bonding	1.60	27 1/2	29
National Casualty	1.50*	33 1/2	35
National Fire	2.50*	58	60
National Union	1.60	34	35 1/2
New Amsterdam Cas.	1.50	33	34 1/2
New Hampshire	2.20	39	40 1/2
North River	1.20	26	27 1/2
Ohio Casualty	.80	55	Bid
Phoenix, Conn.	3.00*	75	77
Preferred Accident		29 1/2	30 1/2
Prov. Wash.	1.50	32 1/2	34
St. Paul F. & M.	.80	34 1/2	36
Security, Conn.	1.60	44 1/2	46
Springfield F. & M.	2.00	34	35 1/2
Standard Accident	1.60	560	570
Travelers	14.00*	47	49
U. S. F. & G.	2.00	66 1/2	68 1/2
U. S. Fire	2.40		

*Includes extras.

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Griffith New President of National Automobile Club

SAN FRANCISCO—R. H. Griffith, vice-president of Glens Falls, was elected president of National Automobile Club at its annual meeting. He succeeds H. F. Mills, who recently retired as vice-president of Aetna Fire. C. E. Allan, Northern Assurance, was named vice-president; E. V. Oliver, Security, reelected treasurer; H. E. Manners, general manager N.A.C., reelected secretary, and A. Hodgkinson, assistant secretary.

New chairman is Samuel T. Shotwell, North British, and vice-chairman, Herbert A. Ryman, Great American. William B. Miller, American, is a new director.

These presidents of their respective associations were elected associate vice-presidents: Lorrin K. Carroll, California Assn. of Insurance Agents; James P. Bennett, Insurance Assn. of Los Angeles; Hal D. Wilson, Insurance Brokers Exchange of California; James H. Wells, Casualty Insurance Assn. of California, and Ivan S. Rankin, Oakland Assn. of Insurance Agents.

Lund Retires as Inspection Bureau Head After 43 Years; M. B. Ryon Is Successor

MINNEAPOLIS—After 43 years with Fire Underwriters Inspection Bureau here, Charles J. Lund has retired as general manager and is succeeded by M. B. Ryon, who has been assistant manager and manager for 20 years. A farewell reception and dinner in honor of Mr. Lund was given by his colleagues in the bureau. Attending were R. D. Hobbs, manager, and Kent Parker,

assistant manager of Western Actuarial Bureau, Chicago.

Mr. Lund began his insurance career in 1889 as an office boy and policy clerk in the Minneapolis office of North British & Mercantile under T. R. Daniel, resident secretary. He went to Chicago with Atlas in 1894 and in 1899 was appointed chief clerk in the western department of Greenwich, later returning to Atlas as chief clerk.

In 1908 he became an inspector in what was then Minnesota and Dakota Fire Underwriters Inspection Office under the late Walter I. Fisher, manager. He became assistant manager in 1911 and manager following the death of Mr. Fisher in 1929, continuing as top executive until his retirement. During his tenure of service the bureau staff has increased from 12 to 150. While fire rating was the original purpose of the bureau, it now gives many types of service to the public, insurers and agents.

Mr. Lund is a past most loyal gander and life member of the Blue Goose and a life member of Fire Underwriters Assn. of the Northwest.

Clarence H. Mitchell and Oscar A. Bergeson have been appointed assistant managers of the bureau.

Gatter, Lacey Make Change

Fred M. Gatter and Hugh V. Lacey have resigned as vice-presidents of Phil Grossmayer Co., Portland general agency.

Mr. Gatter has joined the Brown & White agency of Medford, while Mr. Lacey has joined the Portland firm of Jewett, Barton, Leavy & Kern.

PH.D. Rates Cut in Mass.

Rates for private passenger comprehensive coverage in Massachusetts have been reduced 10% by National Automobile Underwriters Assn. This is estimated to produce a premium decline of about \$617,000. Commercial car rates are reduced 18.2% and this will represent a premium decline of \$236,000. The commercial fire and theft rates are reduced 17.6%.

Form New Adjusters Assn.

FLINT, MICH.—Adjusters of this region have formed Saginaw Valley Adjusters Assn. At a meeting at Clio they selected Richard Hughes, Citizens Mutual Automobile, Grand Blanc, temporary president.

Vice-president is Roy Perry, Flint, Western Casualty; secretary, George Perkins, Flint, General Accident.

Represented at the organization meeting were more than 60 claims men and attorneys from Flint, Saginaw, Bay City, Frankenmuth, Midland and other points in the area. Permanent officers will be chosen in June.

Rate Manual Section Revised

The contract section of the rate manual of Surety Assn. has been revised and brought up to date, effective April 30. This comprises a rearrangement in style with some reclassification of rates and the inclusion of scope of coverage and classification codes. The new section has been renumbered C-1 to C-41, with corresponding index.

In revising the contract section, those classes of bonds which are more properly classified as miscellaneous or license and permit rather than contract have been transferred to the appropriate sections of the manual. Revision of the miscellaneous and the license and permit sections is now underway.

C. J. Speas, surgical specialist, spoke to Nashville Assn. of Insurance Women on "Cancer." Nominations for new officers were read. Fifteen members will attend the national convention at Houston.

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Realign Markel Companies' Officers

Pictured here are the principals in the realignment of the executive setup of Markel Service, motor transportation specialists, American Fidelity & Casualty, and American Fidelity Fire. As reported in last week's issue, Samuel A. Markel, who has served as president, has been named chairman of the three companies, Irvin S. Markel, vice-president of American F. & C. and American Fidelity Fire, moves up to president of both companies, and Lewis C. Markel advances from vice-president to president



S. A. Markel



I. S. Markel



L. C. Markel

of Markel Service. Irvin Markel continues as vice-president and treasurer of Markel Service and Lewis Markel as vice-president and treasurer of American F. & C. and American Fidelity Fire.

are now sharing new quarters in the First Federal building at 114 Northeast 1st avenue. Robert L. Blue formerly had his Continental Assurance agency in the Shoreland building, and Wesley J. Moffatt has been occupying part of the Ranni organization offices since he took over the Continental Casualty disability division earlier this year.

All-Risk Coverage for Entries in Turtle Derby

Travelers Fire has sold a policy that will cover turtles against fire, lightning, theft, hijacking, kidnapping and collision.

The turtles will race in Hartford's first Turtle Derby May 19. The Junior Chamber of Commerce, which is sponsoring the event to benefit its youth program, says that concern over the welfare of the racing tortoises prompted the insurance coverage.

Each turtle will be completely covered for its full value—35 cents.

Thanks Note on Storm Drafts Wins Praise

The loss department at North British under Gilbert Scott some time ago began to use a small printed message that could be folded over the letters going out in connection with settlements of losses from the Nov. 25 wind-storm. The message has created considerable favorable comment.

The message reads, "Thank you for your patience in connection with the settlement of this loss. Draft in payment is enclosed."

"Nearly a million losses resulted from this northeast storm of Nov. 24-27, and even though every adjusting facility has been utilized, it has been humanly impossible to process all of the claims as promptly as we normally would."

"We trust that we may have the pleasure of being of further assistance now or in the future."

Dividend Is Increased

Merchants Fire of New York has increased its quarterly dividend to 40 cents payable May 15 to holders of record May 4. It has been on a \$1.45 annual rate.

Commercial Standard has entered Washington and Oregon and has appointed Seeley & Co. general agents in the northwest. The company will operate on an independent basis as respects casualty lines and will use standard rates for fire and allied lines.

Indiana Field Setup Revised by North British

J. C. Johnson, who has been Indiana state agent of North British group since 1921, now will confine his duties at Indiana headquarters to an advisory capacity.

The eastern and western Indiana fields have been combined under State Agent Willis Ludemann, assisted by Special Agents T. E. Lyman and V. G. Lofgren, with headquarters at 108 East Washington, Indianapolis.

Mr. Ludemann was formerly with Wisconsin Rating Bureau and previously represented the group as state agent in eastern Wisconsin. For several months he has had charge of the eastern Indiana field.

Mr. Lyman has traveled in Indiana for the group as an inspector and special agent for more than a year. Mr. Lofgren for the past several years has been with Wisconsin Inspection Bureau and previously was with a local agency.

New G. & R. Preferred Issue

The 30,000 shares of Globe & Rutgers prior preferred are priced at \$100 with a \$4.64 dividend. G. & R. concurrently is offering stockholders 10,000 shares of convertible second preferred at \$100 a share with a \$5 dividend. Outstanding preferred will be redeemed at \$100 a share. Capitalization will be 240,000 shares of common and the new preferred. United Securities, Geyer & Co. and Shelby Cullom Davis are making the offering.

G.A.B. Promotes Buzbee

General Adjustment Bureau has promoted Jack H. Buzbee to manager of the Hot Springs office to replace Jake W. Clark, who is being transferred to Dallas. Mr. Buzbee attended Arkansas Law School and had considerable business experience in real estate and automobile financing before joining G.A.B. in 1940. He has served at Little Rock, El Dorado and Hot Springs. Mr. Clark was honored at a dinner by the executives at the Dallas Athletic Club on his 25th anniversary with G.A.B.

Mr. Clark started with G.A.B. at New York. He was transferred to the southwestern department in 1944. He has been manager at Hot Springs since 1947. Mr. Clark has been named senior fire adjuster at Dallas.

Mason to Seattle Agency

Lloyd H. Mason, with the home office of Springfield F. & M. for 17 years, has joined Swett & Crawford at Seattle as special agent in the Lloyds department.

W.C.S.R.U. Outing June 27

Western Conference of Special Risk Underwriters has scheduled its outing for June 27 at Itasca country club near Chicago.

Continental Assurance and Continental Casualty general agencies at Miami



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EDITORIAL COMMENT

A Word for the Casualty Business

The matter with the casualty business is automobile bodily injury and property damage and the matter with that is not enough money. The rate deficiency has existed since 1945. The inadequacy became quite apparent last fall as the number of accidents per 100,000 car miles suddenly increased because motorists, remembering the rationing of the second war, went zooming up and down the highways to get in trips they feared might become difficult or impossible. Inflation was a concomitant, and the surge was on.

These things, plus the difficulties of Preferred Accident, have had a sobering effect on the casualty business. Those who guide the destinies of the business are concerned. The situation is expected to be somewhat worse before it gets better. However, perhaps this is a good time to say that the casualty people are not taking to the hills. They intend to get enough money to provide the product they sell and already are in process of bringing that about.

They point out that at times in the past the experience on some casualty lines has been bad. Fortunately, not all casualty lines go sour at the same time. As a matter of fact, one advantage of multiple line underwriting is to increase an insurers' lines and with them the

chances of making a little profit.

It has even been suggested that now would be a good time for a fire company to start getting into casualty. It takes a lot of time to do this—from five to 10 years: to secure personnel and develop claim service, loss prevention facilities, elevator and building inspectors, payroll auditing, and the other things that go into the contract a good casualty company offers its agents.

The argument is that conditions in casualty are bound to improve, if not this year then perhaps next or the year after. By the time the fire company is prepared to do any appreciable amount of this business, the experience on it should be improved.

If casualty insurers made a profit on every line every year, a lot more companies would be in it, and it would not offer much of a challenge to the business to succeed at it. It has its ups and downs. It is confident it can ride out the present storm where there is a proper balance of lines, diversification as to territory, and good management principles being exercised.

More concern is being felt today because the automobile line is so big it has to stand on its own feet. Executives in the business are determined it shall do so in the future.

Committee on Nomenclature

It is time for the committee on nomenclature to hold a session. The agenda is a long one:

Deductibles—large size (North America); medium size (Chubb & Son); old fashioned \$50 deductible on wind (Connecticut, Rhode Island and Massachusetts). Additional extended coverage endorsement — the initials AEC are becoming confused with atomic energy commission. Dwelling all risk (Atlantic Mutual style, American Associated type). All risk dwelling (transportation Rating Bureau). Dwelling package policies (North America). Combined additional coverage (Chubb & Son). Theft policy and theft endorsement (National Bureau of Casualty Underwriters)—this could be residence and outside theft, junior size. Manufacturers output (Aetna Fire). There are others.

Headline writers have a special need for short, really descriptive names for what they write about. It would be easier for the agent to sell if he has a short, pithy word or short phrase to

use in the effort. That is because it would be clearer to the prospective buyer, at once and throughout the sale, as to what the agent is talking about.

But this is the committee that has yet to be appointed, not only because the executives who have the job of appointing committees are attending to more important matters but also because its task would be indeed quite difficult. For example, in all the editorials we have read on the need of giving more descriptive and intelligible names to insurance items, we recall only one or two in which an alternative name was suggested.

It is easy enough to say that additional extended coverage endorsement is long, not particularly descriptive, and lacking in sales punch. But who can suggest a better name? If he can, he is nominated to the committee on nomenclature. It is true that there are actual incidents of improvement, over the years. For example, business interruption certainly is more descriptive of the event which brings a particular

kind of insurance into action than use and occupancy. However, continuance of profits and expenses would indicate more clearly the character of the product the insurers offer. But U. & O. will probably continue for years and years. Headline writers are not going to let so handy and brief a designation disappear. B.I. is no good, especially with multiple line writing, because of bodily injury.

We have every sympathy with committees that devise new or revised or expanded or contracted coverages. They have enough trouble getting their com-

panies to okay them, agents to favor them, public to buy them, and premiums to pay the losses under them to worry about thinking up more cogent names for them. And maybe it is just as well. If anyone can dream a more satisfactory designation than has yet been done, he will get a large audience. In the meantime, after reviewing some of the sales names put on A. & H. policies and to a lesser extent life contracts, while they are fine and full of sales appeal, we have to conclude the names used in fire and casualty do not overstate their case and perhaps can be said to wear well.

PERSONAL SIDE OF THE BUSINESS

Thomas F. Glavey, assistant cashier, has been named 2nd vice-president of Chase National Bank in the insurance department. He has been for some time associated with the insurance department of the bank.

Reuel C. Stratton, supervising chemical engineer of Travelers, has been appointed to the hazards survey group of the joint casualty committee on radiation. He is the only insurance representative on the survey group, and he acts also as liaison representative between the life insurance industry and the atomic energy commission.

F. P. Britt, Syracuse, field manager for Factory Insurance Association, has completed 45 years of service with that organization. He started in the Hartford office as a blueprint boy and later served as a draftsman, surveyor and inspector. He was transferred to Atlanta, going to Syracuse as a special agent in 1926.

Edward I. Taylor, vice-president of the Aetna Fire group, has completed 25 years with the company. He joined Aetna in 1926 as assistant secretary of Century Indemnity. A year later he was elected a vice-president of Century, and in 1947 was named to his present post.

Clinton L. Allen, president of Aetna Fire, has been elected a director of U. S. Chamber of Commerce representing insurance, the canvass of mail ballots from member organizations shows.

William B. Rearden, executive vice-president of Firemen's, has been elected president of Newark chamber of commerce. He has been the first vice-president. He is a former president of Newark Safety Council.

William A. Earls, head of the Earls-Blain agency of Cincinnati, past president of Cincinnati Fire Underwriters Assn. and Ohio Assn. of Insurance Agents, and Mrs. Earls celebrated their golden wedding April 25. Following a solemn high mass at the Church of the Annunciation a breakfast was held and a day of general celebration prevailed. Forty-five members of the family were present and many friends and well wishers attended the mass.

Three sons of Mr. and Mrs. Earls are active in the insurance business in Cincinnati, Thomas W. and John V. being with their father and William T. being general agent of Mutual Benefit

Life. Mrs. Earls is the daughter of the late Thomas Gallagher, former western manager of Aetna Fire and the sister of Vincent L. Gallagher, assistant U. S. manager of Pearl. Mr. and Mrs. Earls have 20 grandchildren and three great-grandchildren.

Brig Gen. Howard S. Searle, Crum & Forster state agent at Topeka, pinned the stars of a brigadier general on **Joe Nickell**, newly appointed Kansas adjutant general, formerly Kansas commissioner of workmen's compensation, at a brief ceremony at Topeka. Gen. Searle, a veteran of both world wars, is assistant division commander of the 35th Kansas national guard division. Gen. Nickell was previously a colonel in the division.

W. G. Twyman, who recently resigned as commissioner of the State Insurance Fund of Oklahoma, is making plans to get an agency organized and into operation. He is located at 1920 N. W. 21st, Oklahoma City.

George W. Blossom, Jr., president of Fred S. James & Co., Chicago, and Mrs. Blossom have sailed for a European trip.

Harold Jackson, president of Wm. H. McGee & Co., is on his way to Denmark to attend committee meetings of International Union of Marine Insurance of which he is vice-chairman. He will then attend the executive committee meeting of the union near Malmo, Sweden, and he will make business visits at Paris and London.

Cooke U. of Conn. Speaker

Ben D. Cooke, senior member of B. D. Cooke & Partners, Ltd., London, underwriters for several English companies with some 40 offices throughout Great Britain, addressed the school of business administration of University of Connecticut at Storrs on insurance in the London market. His talk was open to the public.

Beulah Horses Uninsured

Little, if any, livestock mortality insurance was involved in the fire that destroyed 26 horses in a barn at Beulah Park Race Track near Columbus, O. These were mainly cheap selling platers known in the business as way-back has-beens or never-wasers and apparently they were not insured.

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DEATHS

HARRY H. HUMMEL, former department manager of Kentucky Inspection Bureau, died at his home at Louisville. He had been in ill health for several years, following a nervous breakdown. His late father, Fred Hummel, for years was connected with the old agency of Hummel & Meyer and his brother was also at one time with that agency.

WALTER J. MOONEY, 49, a partner in the McKinnon & Mooney agency, Flint, Mich., died after a month's illness. He entered insurance in 1925 as a representative there of Equitable Society and joined Leonard McKinnon in 1929 as a partner in the agency, which is general agent of John Hancock Mutual Life, as well as representing fire and casualty companies. Mr. Mooney had been active in life associations, served as president of Flint Assn. of Insurance Agents for several years and was currently a director of the Michigan association.

DAVID McINNES, 76, retired Boston fire insurance rate maker, died. He had spent his entire business life with Boston Board of Fire Underwriters and New England Fire Insurance Rating Assn. He began with the Board in 1889 and retired last July from the Boston division of the rating association.

CLARENCE McDANIEL, 76, former head of the New York agency which bears his name, died in Arizona. He entered the business in 1899 as a clerk in Home's metropolitan department. In 1909 he was appointed metropolitan agent for Citizens of West Virginia. After opening his own agency, he consolidated in 1914 with D. M. Darby to form the McDaniel & Darby agency. In 1915, G. G. Hooper was admitted to the partnership.

Following Mr. Darby's resignation and Mr. Hooper's death in 1929, Mr. McDaniel admitted Edward Maeser to the partnership and the agency name was changed to McDaniel, Maeser & Co. After Mr. Maeser's death the agency name returned to McDaniel & Co. Mr. McDaniel retired in 1947 and moved to Arizona.

JOHN HAFF, state agent at Portland, Ore., for London Assurance, died

in a fall from a ninth floor room in a Seattle hotel. Mr. Haff had resigned and had made plans to become affiliated with a Portland mortgage and insurance firm. He was in Seattle on business.

FRANCIS M. CONNOLLY, 41, an account executive for Marsh & McLennan at St. Louis since 1942, and in the insurance business since 1923, died of a heart attack. Before joining Marsh & McLennan he was with F. D. Hirschberg & Co.

J. A. HALL, a member of the Coleman & Company agency, San Antonio, since the formation of the firm in 1912, died after an extended illness. He had spent much of his time in the field with local agents representing casualty companies for which the firm was general agent.

G. ROY WHALEY, 68, retired Iowa field man, died at Des Moines hospital after an eight-month illness. He had been in fire insurance work for 50 years in Iowa, starting out with Iowa State at Keokuk in 1900 and later moving to Cedar Rapids. In 1932 he joined Home and was stationed at Storm Lake and later at Des Moines. He retired from Home in 1948.

A. R. MORTON, 63, head of the Morton-Oaks agency, Waukesha, Wis., died at his home.

ARTHUR N. MACK, JR., 65, local agent at Cudahy, Wis., Milwaukee suburb, died at his home after a heart attack.

FRED N. TORREY, 87, pioneer local agent at Hortonville, Wis., who was active until his retirement a year ago, died at his home.

EUGENE H. WARD, widely known in Seattle adjusting circles, died after an illness of four years. Before his forced retirement, Mr. Ward was with the claims department of the C. B. DeMille general agency. Previously, he had been with Frank B. Leahy, independent adjuster, and the Brown general agency.

EDWARD J. BOWMAN, who had operated a local agency at Anaconda, Mont., and since retiring head of Daly Bank & Trust Co. of that city, died at his home at Anaconda at the age of 85. In his earlier days he was with First National Bank at Dillon, Mont., and then with American Bank of Helena.

Miss West, Now Uncovered, Has Bout with Post Office

WASHINGTON — Miss Evelyn West, whose bosom was insured for \$50,000, was on trial last week before a Postoffice Department examiner in a proceeding arising under a new law against use of the mails for transmitting lewd, lascivious, obscene pictures.

Her lawyer, Irving G. McCann, told THE NATIONAL UNDERWRITER the insurance was written by Lloyds. He added the policy has lapsed, but would be in effect again if premium were paid.

McCann said the law involved is unconstitutional because it provides that under a proposed order based upon it, mail, even the Congressional Record, for example, would be held up and returned to the sender, marked "unlawful."

Miss West testified she wanted to sell pin-up pictures for \$1. According to testimony, other pictures classed as nude or semi-nude, were offered through the mails at rates, government attorney William C. O'Brien said, increasing with progressive lack of clothing.

Miss West testified she wanted to sell her pictures to those interested in art "in its various phases." Asked why she advertised her insured anatomy in circulars going to such persons, she answered: "It's the insurance I advertise—not the bosom."

Insurance Stocks Good Buy

Hartford insurance companies are "the most efficiently managed industries in the world today" and their stocks are an excellent investment, the women's financial forum of Hartford-Connecticut Trust Co. was told by Samuel S. Rodman, vice-president of the company. He advised some 200 women attending the forum that insurance companies fit all the requirements for sound investment.

American Insurance "SHEPHERDS" a Wool Crop in AUSTRALIA



WHEN IT'S round-up time in Australia, and the sheep are ready for the shears, a wool-buyer's investment stands at the crossroads . . .

Ahead lie many processes, many hazards, before fleece meets mill—washing, drying, clipping, classing, packing, transporting. Danger of damage or destruction attends every step. The need for protection against loss is great.

American Foreign Insurance Association provides it through its member companies—not only in Australia, but in the Argentine, and elsewhere—covering the fleece from the time the flock is gathered, until the wool crop is safely delivered.

This is but a single example of AFIA protection in action. Americans with scores of different enterprises abroad rely on AFIA to bulwark their foreign properties and investments with solid insurance. AFIA's decades-long concentration on the foreign field enables it to service that coverage with singular skill and dispatch.

You can be the AFIA Man in YOUR community! Check on the firms in your area with interests abroad—let them know you can provide unsurpassed protection through AFIA!



AMERICAN FOREIGN INSURANCE ASSOCIATION

161 William Street • New York 38, New York

CHICAGO OFFICE... Insurance Exchange Building, 175 West Jackson Blvd., Chicago 4, Illinois
SAN FRANCISCO OFFICE... Mills Building, 220 Bush Street, San Francisco 4, California

SERVING THE WORLD-WIDE OPERATIONS OF ITS MEMBER COMPANIES, AND THEIR ASSURED



ELIMINATE THE "GUESS"

Guesses and short cuts in determining insurable values can prove expensive. It is safer and cheaper to know.

The AMERICAN APPRAISAL Company

Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES

Mention Mahoney for New Me. Commissioner

G. F. Mahoney, head of the Mahoney-Burrill agency at Ellsworth, and a supporter of Gov. Payne of Maine has been prominently mentioned as insurance commissioner to succeed David B. Soule when his term expires in June.

Many Headliners for Institute at Dallas

Speakers at the Casualty-Property Insurance Institute June 13-15 on the S.M.U. campus at Dallas include Frank A. Young, insurance professor at S.M.U.; Harvey L. Davis, law professor at S.M.U.; "Problems of Legal Liability"; Tom R. Chatfield, secretary of Loyalty group and president of North Texas Field Club; Willard Crotty, manager, insurance department, J. W. Lindsey & Co.; A. R. Buchel, vice-president of Gulf; A. A. Reagan, Jr., chief underwriter at Dallas of Indemnity of North America.

Also: Walter T. MacKinnon, manager of General Cover Department, New York; forum—J. F. Hickman, agent, Paris, Tex.; C. M. Patrick, agent, Dallas; M. L. Canfield, state agent Home; Richard H. McLarry, local agent, "Business Interruption Insurance."

Harry Lees, vice-president of American Associated, "Comprehensive Liability; Ross Brown, A. C. Prendergast

& Co.; Graeme Dixon, secretary of Trinity Universal; Don Squibb, superintendent of underwriting, Employers group, Urban M. Lelli, secretary of Phoenix of Hartford, "The Complete Casualty-Property Survey". Alphonso Ragland, agent: Bob Harvey, Aetna Casualty and R. L. Kenderdine of Palestine, Tex.

No Differences in Mass.

At the final public hearing of the proposed new standard fire policy for Massachusetts, at Boston, the insurance department, representatives of the business, and bankers all endorsed the draft in most particulars. The draft is a combination of the Massachusetts and New York forms. The hearing was before the insurance committee of the legislature.

N. J. OK'S Two Plans

The New Jersey department has approved the Multiple Location Service Office plan of rating multiple location risks and simultaneously the independent filing, effective May 15. A member or subscriber is limited to use of one plan. If it wishes to shift, Fire Insurance Rating Organization of New Jersey will refile.

ELMER J. DRIMALLA, who in the early 1920's was a member of the famed unbeatable Royal team in the Chicago insurance baseball league, died at the age of 52. He left Royal when its western department was moved east in 1930. Lately he had been with Triangle Printing Co. at Chicago.

Saunders Goes With Fred S. James & Co.

K. O. Saunders, assistant regional manager at Chicago for Royal, Eagle and Globe Indemnity companies, has joined Fred S. James & Co. of Chicago in a casualty production and service capacity. Mr. Saunders entered the business many years ago with Aetna Casualty upon graduation from Indiana University. He became manager of Maryland Casualty at Cleveland. He went with Royal-Liverpool group in 1938 as manager for Globe Indemnity at Chicago and when the operations of Eagle, Royal and Globe Indemnity companies were combined in 1946, he was placed in charge of the combined Chicago operation.



K. O. Saunders

Progress Head Indicted

The grand jury at Chicago has indicted W. N. Lowe, president of Progress Ins. Assn., on the charge of having claimed as an asset in the annual statement of Dec. 31, 1950 some \$300,000 of government bonds, which he did not purchase until March, 1951, and which he sold in April to satisfy the bank loan with which he purchased the bonds in the first place. An action for receivership is pending against Progress.

Slate Olsen in Conn.

At the May 7 meeting of Connecticut Field Club at Hartford the following will be voted on: President, D. L. Olsen, Glens Falls; vice-president, John MacKenzie, Boston; treasurer, Henry Fulder, North America, and secretary, L. A. Geis, Commercial Union. S. H. Whipple and T. J. O'Brien of Retail Credit Co. will speak. The club will honor J. L. Moffitt, recently promoted to assistant vice-president of Crum & Forster from the Connecticut field.

Ricks to Marsh & McLennan

Ivan Ricks has joined the group insurance staff of Marsh & McLennan at Chicago. Mr. Ricks has been with Equitable Society at Chicago for 24 years as a group man, and was for some time western regional group manager at Chicago in charge of all group activities between Ohio and the Pacific coast.

Lower Rates in 10 Ark. Towns

Rates have been lowered in 10 Arkansas towns for improvements in fire fighting facilities, including West Memphis, Augusta, Elaine, Hartford, Lepanto, Berryville, Decatur, Hampton, Lake Village and Yellville.

Ohio House Passes F. R. Bill

The Ohio house has passed and sent to the senate the motorists financial responsibility bill.

B. V. Rovengo Honored

Benjamin V. Rovengo, superintendent of the inland marine department of North British at San Francisco, was honored with a luncheon given by Samuel T. Shotwell, vice-president and manager, on Mr. Rovengo's 25th anniversary with the company.

He has been superintendent of the inland marine department since 1946 and before that had served as special agent in San Joaquin valley.

Alice MacDonald has been elected president of Insurance Women's Club of Oklahoma City, succeeding Willa Polly Drake. Alberta Moore and Mary Riggs are vice-presidents; Jeanne Dougherty and Bea Plachy are secretaries; Loraine Schwartz, treasurer.

Program Set for the Casualty Actuarial Rally

The spring meeting of Casualty Actuarial Society is scheduled for May 10-11 at Seaview Country Club, Absecon, N. J. The program begins Thursday afternoon with a business meeting followed by the presidential address of H. T. Barber, Travelers. Papers will be presented by T. O. Carlson, National Bureau, on rate regulation and the casualty actuary, and by T. F. Tarbell, Travelers, on the new annual statement and its financial statement, exhibits and schedules.

That evening there will be an informal reception and a dinner. The speaker is D. J. Cowie, U. S. manager of Pearl.

On Friday morning there will be a discussion of supporting information in connection with manual rate filings under the rate regulatory laws as exemplified in the model bill for casualty and surety lines; also on individual risk rating plans under the model bill. Chairman of the panel is C. A. Kulp, University of Pennsylvania. Members are C. J. Haugh, Travelers; H. P. Stellwagen, Indemnity of North America, and H. E. Curry, State Farm Mutual.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER — FIRE & CASUALTY EDITION

OHIO CASUALTY COMPANY NEEDS CHIEF UNDERWRITER

For automobile and general liability lines. Must have organizational ability. This is a wonderful opportunity for the right individual. Our employees know of this ad. All replies confidential. Address E-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OPPORTUNITY

Splendid opportunity for man over 35 years of age with casualty experience for outside selling and service. Old established agency in Detroit. State qualifications. All replies confidential. Excellent future. Address E-78, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION OPEN

Chief inspector to supervise work of several fire prevention inspectors covering industrial and commercial properties nation-wide for well established fire insurance carrier. Headquarters in Chicago. Good opportunity for man capable of handling the job. Salary open. Address E-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OFFICE SPACE FOR RENT

200 to 1200 square feet
166 W. Jackson Blvd.

RALPH W. APPEGATE & CO.
Agents

208 S. La Salle St. S2ate 2-9200

WANTED

Experienced insurance statistician wanted to supervise I. B. M. department. Must have knowledge of state call reports and technical knowledge of machines. Excellent opportunity for man looking to the future. Write I. R. Le Page, Midwestern Insurance Company, Oklahoma City, Oklahoma.

BOND DEPT. MANAGER

Unusual opportunity now with large stock company for experienced bond underwriter. Opening is known to our staff. Salary open. Attractive retirement income plan. Replies held in confidence. Address E-60, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE ACCOUNTANT

For a growing Ohio casualty company. College training and insurance experience necessary. Salary open. Our employees know of this ad. All replies treated confidentially. Address E-81, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

AVAILABLE AT DENVER

Adjuster, 44 years experience inland marine, fire, automobile, aircraft, burglary, casualty, bonds, desires connection Mountain States Department. Address E-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY SPECIAL AGENT

Desired for the State of Michigan. This involves a new position with a Stock Company. Please give full particulars in regard to qualifications and salary requirements. Address E-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY CLAIM SUPERVISOR

Desired by Stock Company for the State of Michigan. Should be capable of supervising entire state. Please give complete details including experience and salary requirements. Address E-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

OKLAHOMA PRODUCER

Experienced production man wanted to open service office in Oklahoma City and develop state-wide agency plant for multiple lines. Prefer casualty production experience, particularly in Oklahoma, with underwriting background. Reply to R. F. Miller, Trinity Universal Insurance Co., P. O. Box 5028, Dallas, Texas.

The Constitution Insurance Corporation



REINSURANCE FIRE and ALLIED LINES

Henri G. Ibsen
President

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Harrington Takes Headquarters Post for Casualty Agents Organization

Formal announcement of the appointment of Charles Francis Joseph Harrington as executive vice-president and headquarters administrator of National Assn. of Casualty & Surety Agents was made by the four principal officers following a conference with Mr. Harrington at Chicago last Friday. The officers were Holton Price of St. Louis, president; Lyle McKown of Minneapolis and Thomas Earls of Cincinnati, vice-presidents, and Robert E. Stitt of Chicago, secretary-treasurer.



Pictured above, from left—Holton Price, Lyle McKown, Thomas Earls and C. F. J. Harrington.

Mr. Harrington, who is also connected with the big Boston agency of O'Brien, Russell & Co., will maintain his association headquarters at 112 Water street, Boston. This is the same address as O'Brien, Russell.

E. W. Sawyer of New York continues as counsel of the association.

Mr. Harrington just recently left office after serving 13 years as Massachusetts insurance commissioner. He was born in 1893 at Roxbury, Mass., and attended Suffolk University law

school. After experiences in other lines he entered insurance in 1914 with Massachusetts Bonding and started with O'Brien, Russell & Co. in 1917. His span as Massachusetts commissioner extended from 1938 to 1951. He was president of National Assn. of Insurance Commissioners in 1943-44 and throughout the years was one of the main factors in that organization. He served as commissioner under both the Republican and Democratic governors and held office longer than any predecessor.

U. S. A. I. G. Insurer of All but Hull in United Crash

United Air lines is self-insurer for hull on its plane which crashed and exploded the night of April 28 near Fort Wayne, Ind., killing eight passengers and a crew of three.

United States Aviation Insurance Group carries the workmen's compensation, public liability and property damage for United.

The plane was a Cleveland to Chicago flight. It had been approaching for a landing at Baer Field at Fort Wayne, and the uncertainty of the weather caused a series of three sets of instructions to be sent to the pilot. Before he could reach the field, a storm broke bringing gusts of wind up to 85 miles an hour. The plane was instructed to turn back, and a few moments later turned over on its back and crashed in a field. One of the victims was Dr. H. Clive McAlister, 57, medical director of Lincoln National Life of Fort Wayne.

This was the first crash of United Air lines in three years, the company in that period having flown something over 1 billion passenger miles without a passenger fatality.

The DC-3 hull is worth in the neighborhood of \$25,000. The limit in Indiana for wrongful death is \$15,000.

Gordon Dunlap of Baker has been named general chairman for the Oregon Assn. of Insurance Agents annual meeting which will be held in his city August 23-24.

H. Phelps Smith Honored at Dinner at Nashville

NASHVILLE—Martin W. Lewis, New York, general manager of Surety Assn. of America, and C. W. Olson, Chicago, immediate past president of National Assn. of Surety Bond Producers, headed delegations from these two cities at the dinner here to honor H. Phelps Smith, Gale, Smith & Co., recently elected president of the National association, attended by more than 100 of bond men.

Tribute was paid to Mr. Smith for his major contribution to the organization by H. H. Corson, of Davis, Corson & Bradford, Nashville, who served as toastmaster, and by out-of-town officials, including Mr. Lewis and Mr. Olson. His service to fire insurance, according to a local speaker, was highlighted by his term as president of Tennessee Assn. of Insurance Agents. E. Dudley Gale, associate of Mr. Smith, and Morris Moughton of Martin Hayes & Co., were co-hosts.

Other members of surety bond association in attendance included H. Hammond Story and William Gunter, Atlanta; William Phillips, Birmingham; Carl Dauksch, Columbus, O.; and Robert Cobb, Minneapolis.

Name Foltz at El Paso

John W. Foltz, staff adjuster at Phoenix, has been named manager at El Paso for Lyle Adjustment Co. Mr. Foltz is an attorney and a veteran of the last war.

Scurry to Cover Preferred's Risks

Indications early this week were that Preferred Accident's automobile, casualty and other business was being absorbed by other insurers, though on a selective and not agency account basis in many instances. As an expedient some agents were advancing the premium for the new insurance and taking an assignment from insured for the unearned premium credit in preferred accident. Insured with unearned premium credits are in the position of general creditors.

Preferred had some assigned risks which will have to be redistributed. The assigned risk plan has indicated such insured will have to make new application. Also, some of the regular business it carried on its books, auto particularly, is expected to be placed in assigned risks to get coverage. The time producers had to get insured under cover was short.

Both of New York's security funds, workmen's compensation in 1935 and auto liability in 1947, were set up after the last liquidation of an insurer, so that this will be the first time they have been called on, if they are in this case.

Whether there is enough in Preferred to liquidate 100 cents on the dollar depends on collection of outstanding premiums, whether claim now will be somewhat built up, the expense and duration of liquidation, whether outstanding cases have been sufficiently reserved, etc.

Thomas Austin, special deputy in charge of the liquidation bureau at the New York department, will have charge of the liquidation, assisted by Charles Walsh, his assistant, and Alfred C. Bennett, special counsel in that division a number of years.

Glass Rates Up 5.3% in 22 States

An increase in glass insurance rates in 22 states has been announced by National Bureau of Casualty Underwriters, effective April 30 except in Texas.

Rates are increased in Arizona, Connecticut, District of Columbia, Florida, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Vermont, Virginia, West Virginia and Wisconsin. This produces an average countrywide increase of 5.3%.

This revision is made necessary by recent increases in the price of glass at the factories, which in turn have resulted in substantially higher prices by the glaziers in many places.

Employers Group Opens New Chicago Quarters

Hundreds of insurance friends visited the new Chicago and western department headquarters of the Employers group at 30 East Adams street at the formal opening Tuesday. Employers has now left the confines of the La Salle street insurance district and it has handsomely decorated and furnished quarters on the top floor and penthouse which commands a good view of Lake Michigan. The penthouse has been converted into an attractive employee lounge and rest room and here it was that the visitors fraternized Tuesday after inspecting the working quarters below. Assisting W. A. Eakin, manager of the western department, and W. A. Simonson, assistant manager, in dispensing hospitality were Gay Gleason, general counsel, and Calvin Reynolds, territorial supervisor from the head office.

Liquidation Is Ordered for Preferred Accident

Court Acts When Bohlinger Reports Rescue Sources Evaporate

Justice Felix C. Benvenge of the New York state supreme court April 27 rendered a decision directing Superintendent Bohlinger to liquidate Preferred Accident.

Mr. Bohlinger said his application to liquidate Preferred had been made only after months of effort to find a solution to the financial problems of the company had failed. In addition to seeking funds from Reconstruction Finance Corp., funds were also sought from insurance companies and other private channels. The New York department also endeavored to reinsure the business with other insurers. None of these efforts were successful and at the time the department filed the petition for liquidation it was clear that the necessary financial aid would not be forthcoming from any source.

Too Little, Too Late

During this period at the instance of the department, the management committee of Preferred Accident adopted a business retrenchment program as well as other procedures designed to effect operating economies and to improve the adverse underwriting experience. These steps were not sufficient to overcome the adverse effect upon the financial position of increased automobile ac-

Mutual Benefit H. & A. has announced the reinsurance of all outstanding A. & H. policies of Preferred Accident. This was done in accordance with an agreement with the liquidator of the New York department.

V. J. Skutt, president of Mutual Benefit, said his company felt that policyholders who had purchased A. & H. coverage in good faith from Preferred should not be left without that coverage, which in many cases cannot be replaced.

Under the reinsurance program, he stated that such coverage, which might be hard to obtain for many persons of advanced years, is maintained with no loss of any future benefits under present policies or loss of premiums paid.

cident frequency, rising claim costs and a decline in the value of bonds owned.

Pointing out that approximately 75% of the business was automobile and workmen's compensation insurance, Mr. Bohlinger stated that third party automobile claimants for losses arising out of accidents occurring in New York state are assured ultimate full payment of their valid claims by the provisions of the motor vehicle liability security fund. This fund was established in 1947. Similar protection is afforded injured workmen by the operation of the workmen's compensation security fund. This fund was created for the purpose of assuring the payment of compensation and benefits to employees covered by the New York state compensation law, even should the insuring company become insolvent.

The company has its principal office at 80 Maiden Lane in New York City and was licensed in the District of Columbia and in all states except Rhode

(CONTINUED ON PAGE 34)

H. & A. Conference 50th Anniversary Program Announced

The completed program has been announced for the 50th anniversary meeting of H. & A. Underwriters Conference, to be held May 14-16 at Detroit, birthplace of the conference and scene of its silver anniversary celebration 25 years ago.

The old-timers in the conference ranks will be honored especially at the 50th anniversary luncheon the first day, around which the historical aspects of the meeting will center. George F. Manzelmann, North American Accident, chairman of the 50th anniversary committee, will preside. Governor Williams of Michigan is scheduled to extend a welcome, the living past presidents of the conference and others prominent in its development in the early days will be introduced and there will be some other anniversary features. The luncheon speaker will be R. Perry Shorts, first president of the conference as now constituted, following the merger into it of the old Detroit Conference. He is now president of the Second National Bank & Trust Co. of

Saginaw, Mich. J. B. Pitcher, one of the founders of Detroit Conference, who headed the old U.S. Health & Accident of Saginaw, will be a special guest.

The program for the opening session the morning of May 14 will include a welcome by Mayor Cobo of Detroit, the president's address by E. J. Faulkner, Woodmen Accident; reports by C. O. Pauley, managing director, and the conference executive staff; an address by Malcolm W. Bingay, editorial director Detroit Free Press, and a brief talk by Carrol M. Shanks, president of Prudential. Commissioner Forbes of Michigan will speak on "State Regulation of Insurance."

Speakers Tuesday morning, May 15, will include Louis C. Morell, vice-president Continental Casualty, on "Special Risks in A. & H. Insurance"; John W. Joanis, assistant secretary Hardware Mutual Casualty, who is chairman of Health Insurance Council, reporting on its work; Fred A. Replogle of Rohrer, Hibler & Replogle, Chicago consulting psychologists, and Commissioner Knowlton of New Hampshire, chairman A. & H. committee of N.A.I.C.

Basil O'Connor to Speak

That afternoon, with Jarvis Farley, Massachusetts Indemnity, conference executive committee chairman, presiding, E. H. Mueller, Milwaukee general agent of Provident Life & Accident and

Pacific Mutual Life, will speak on "Leadership in Our Business" and George L. Ekern of Ekern, Meyers & Matthias, Chicago insurance attorneys, will give "Some Observations on the Regulation of Insurance." There will also be an address by Basil O'Connor, president National Foundation for Infantile Paralysis.

Following an address by Junius B. Wood, contributing editor Nation's Business, on "Big Government Grows Bigger," Wednesday morning will be devoted to an executive session, when officers will be elected and other conference business transacted.

The Michigan companies will give an informal reception for the early arrivals Sunday evening and the banquet and president's reception will be Tuesday evening.

P. G. Korn, vice-president National Casualty, is chairman of the convention committee which has had charge of program arrangements.

Toledo Association Elects

Toledo (O.) Assn. of A. & H. Underwriters has elected Manley Kay, Kay-Klaus agency, president; Ed Smith, Income Guaranty Co., vice-president; John R. Hunter, Mutual Benefit H. & A., secretary, and John Meehan, American Service Bureau, treasurer.

Nov. Winds Bring Record Glass Loss

Plate glass damage during the eastern windstorm last November 24-27 caused companies writing this coverage the most severe losses ever recorded as the result of a single catastrophe, according to a survey by the plate glass division of Assn. of Casualty & Surety Companies.

Reports received by the association from all but nine of its 50 member companies writing plate glass insurance show that the windstorm resulted in 9,801 claims totaling \$1,445,837 for 17,137 broken plate glass windows.

New York, New Jersey, Pennsylvania and the New England states were hardest hit, with more than half the damage taking place in New York where 5,898 claims for 10,144 windows reached a record \$848,295. In New Jersey \$367,285 was paid to 2,169 claimants and in Pennsylvania \$102,057 was paid to 677 claimants. In all other states combined, there were 1,057 claims representing a loss of \$128,199.

When the storm loss reports of the nine other companies are received, it is estimated that the total number of claims under glass coverage will exceed 10,000 with an aggregate loss of more than \$1,500,000.

Settle Smog Death Claims for 5% of Amounts Sought

Out-of-court settlements totalling \$232,000 have been made by American Steel & Wire, a subsidiary of U. S. Steel, for the 22 deaths and many more illnesses resulting from the smog which settled over Donora, Pa., in October, 1948. The steel company is self-insured.

Total claims entered by 135 plaintiffs amounted to \$4,643,000. Actual settlements represent 5% of damages sought by claimants.

Group Plans Are Studied

WASHINGTON—Thomas L. Kane, the Defense Department insurance director, is awaiting submission of a new draft group insurance plan for use in connection with defense contracts. It is not that the plan submitted some time ago by group interests, which was based largely on the plan used during the last war, is unsatisfactory to the Defense Department, Mr. Kane said, but there is a desire to see if some better plan might possibly be developed.

Purchase Is Announced

COLUMBUS—It was announced this week that Farm Bureau insurance companies of Columbus have purchased National Casualty of Detroit. The latter operates in 48 states and the District of Columbia, and its purchase gives the Farm Bureau companies an outlet in the states outside the 12 and the District of Columbia, in which they are licensed. It is said that the Farm Bureau is denied admission to some states because there are operating in those states companies with the same name.

Quarter Deaths Up 10%

Traffic deaths in March numbered 2,710, which was an increase of 9% over the same month a year ago, and this was the 16th consecutive month with a greater death toll than the corresponding month a year earlier, National Safety Council reports. Deaths for the first quarter of this year numbered 7,900, which was an increase of 10%. The death rise, according to the safety council, is in approximate proportion to the increase in motor vehicle mileage.

State Farm Has Tenn. Rally

The State Farm companies held their annual meeting for Tennessee at Nashville with 125 agents present. The principal speaker was T. J. Kiesselbach, from the home office.

multiple line facilities

accident and health

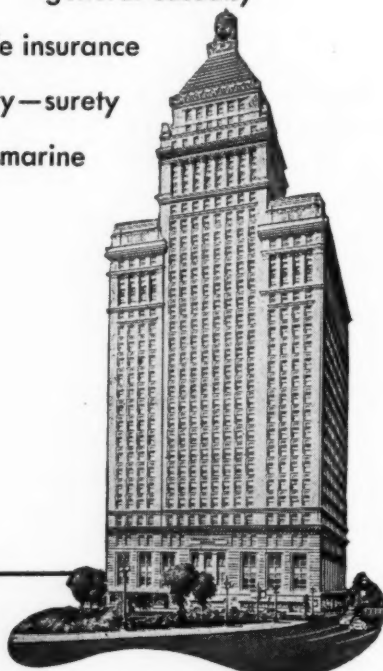
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F. & C...

MICHIGAN 1950 DIRECT CASUALTY WRITINGS AND NET LOSSES INCURRED

	Total Prem. and Losses	Work. Comp. Prem. and Losses	Other Liab. Prem. and Losses	Auto. Liab. Prem. and Losses	Auto. P.D.L. Prem. and Losses	Fidel. Prem. and Losses	Surety Prem. and Losses	Plate Glass Prem. and Losses	Burg. Theft Prem. and Losses		Total Prem. and Losses	Work. Comp. Prem. and Losses	Other Liab. Prem. and Losses	Auto. Liab. Prem. and Losses	Auto. P.D.L. Prem. and Losses	Fidel. Prem. and Losses	Surety Prem. and Losses	Plate Glass Prem. and Losses	Burg. Theft Prem. and Losses
Acc. & Cas.	105,428	33,358	11,128	17,553	17,410	1,764	2,029	3,701	9,947	F. & D.	479,140	1,651	1,120	144,597	190,410	22,531	71,833		
Aetna Cas.	3,157,624	1,307,630	353,203	470,991	415,298	118,694	184,037	46,383	165,950	Fire Assn.	131,382	40	35,026	25,889	7,703	29,338			
Aetna Fire	1,305,458	718,834	41,410	186,867	193,107	32,525	35,350	20,763	40,346	F'r'm's Fd. In.	686,844	141,372	36,194	140,936	113,279	8,214	6,987	7,956	21,600
Allstate	3,064,712	958,779	.....	.....	.....	.....	.....	.....	.....	Fireman's Fund 1,784,390	267,382	70,753	2,115	119,524	62,967	2,149	37	4,828	4,384
Am. Agricult.	951,411	.....	.....	907,826	683,419	.....	.....	.....	.....	Fireman's Fund 1,784,390	267,382	70,753	2,115	119,524	62,967	2,149	37	4,828	4,384
Am. Alliance	377,658	.....	.....	.....	.....	.....	.....	.....	.....	Franklin's Mu. 1,540,015	775,967	.....	.....	341,733	314,156	.....	.....	.....	.....
Am. Auto.	2,758,303	297,181	145,597	1,070,746	941,994	53,721	13,678	23,081	149,302	Furniture Mut.	100,525	100,525	.....	.....	158,161	211,445	.....	.....	.....
Am. Bonding	1,125,616	91,177	35,643	477,431	426,597	14,390	3,978	9,975	62,751	General Acc.	60,885	60,885	144,749	394,130	337,004	5,701	.....	35,446	95,336
Amer. Cas.	619,297	105,335	39,826	163,371	139,531	5,293	8,175	12,202	37,057	Gen. Cas., Wash.	550,165	247,758	15,967	149,237	164,979	1,708	.....	13,042	32,409
Am. Empl.	486,737	117,134	58,964	79,239	70,723	16,587	15,977	10,119	31,940	General Reins.	52,793	.....	3,249	21,124	18,378	4,608	.....	4,828	2,480
Am. Fmrs. Mut.	520,072	9,140	13,383	132,074	95,557	.....	.....	1,396	1,510	General Trans.	14,734	.....	17	4,157	.....	.....	.....	749	716
Am. F. & C.	900,648	.....	11,943	684,802	256,994	.....	.....	.....	.....	Globe Indem.	303,906	21,028	8,546	105,180	4,191	22,487	77,068	780	18,836
Am. Guar.	129,294	3,619	3,457	6,258	5,132	30,542	.....	164	14,790	Grt. Falls Ind.	22,248	.....	75,000	57,824	.....	18,403	41,600	.....	11,936
Am. Indem.	34,088	4,159	3,789	2,416	987	3,442	.....	.....	1,940	Globe Indem.	7,385	7,219	.....	83	84	.....	.....	.....	.....
Amer., N. J.	2,141,938	.....	.....	.....	.....	.....	.....	.....	.....	Grt. Am. Ind.	6,165	6,165	.....	.....	.....	.....	.....	.....	.....
Am. Motorists.	433,372	132,459	10,997	82,063	63,540	17,366	549	719	1,932	Grt. Amer.	42,893	17,271	7,060	9,078	780	559	2,674	4,961	19,540
Am. Mut. Liab.	1,217,912	1,000,415	68,501	42,212	41,118	8,954	200	545	5,450	Grt. Central	814,330	221,145	119,567	127,085	121,217	9,598	13,203	16,762	45,563
Am. Natl. Fire.	697,265	542,166	20,449	28,945	29,054	33	.....	4	104	Guarantee	400,817	139,512	39,341	80,193	60,182	17,468	53	7,305	18,320
Am. Pchdrs.	55,745	52	2,940	188	103	.....	.....	.....	.....	Hardw. Ind.	92,738	.....	22,807	19,225	.....	.....	.....	.....	.....
Am. Reins.	174,648	12,033	.....	.....	.....	.....	.....	.....	.....	Grt. Am. Ind.	30,514	.....	4,426	7,603	.....	19,130	21,776	45,031	
Am. States	2,445,691	112,739	47,343	661,173	498,356	3,084	4,525	19,452	42,173	Grt. Amer.	768,816	62,564	62,564	150,135	117,747	21,665	19,130	21,776	45,031
Am. Surety	1,017,640	48,512	6,954	266,212	279,801	.....	.....	7,510	9,892	Guarantee	2,248	89,545	7,397	74,732	60,103	2,442	500	5,390	20,780
Anchor Cas.	906,446	101,790	60,595	229,351	172,457	88,253	61,983	17,018	47,595	Hardw. M. C.	110,641	.....	.....	.....	.....	.....	.....	.....	.....
Arex. Indem.	1,448	478	81	331	268	.....	.....	.....	63	Hardw. Mut.	28,123	.....	.....	.....	.....	.....	.....	.....	.....
Assoc. Ind.	2,101	62	539	219	197	.....	.....	.....	320	Hartford Acc.	24,477	2,527	3,325	6,827	6,140	.....	1,834	3,018	.....
Atlantic Mut.	396,813	386,453	.....	.....	.....	.....	.....	.....	.....	Hardw. M. C.	13,966	2,798	760	7,293	.....	.....	962	2,020	.....
Auto Owners	9,546,034	1,103,513	194,056	2,459,246	1,770,092	4,471	1,068	75,460	91,540	Hard. Mut.	2,231,250	481,345	76,689	338,486	271,509	.....	47,035	27,416	.....
Bankers Indem.	2,786,734	132,186	25,793	183,829	915,425	.....	.....	25,416	11,821	Hartford Acc.	1,181,375	346,339	25,748	100,662	119,878	.....	22,094	11,263	.....
Bitum. Cas.	113,399	30,501	5,320	39,909	29,905	.....	.....	3,883	8,733	Home F. & M.	65,169	.....	.....	.....	.....	.....	.....	.....	.....
Buck. Un. Cas.	83,921	16,300	1,281	38,842	24,187	368	.....	1,358	2,044	Home Indem.	12,552	.....	.....	.....	.....	.....	.....	.....	.....
Cadillac Mut.	5,711	4,526	.....	.....	.....	.....	.....	.....	.....	Hoosier Cas.	4,252,612	857,097	365,462	1,270,565	962,491	48,236	157,925	51,858	226,643
Car & General	243,595	10,306	1,579	129,856	87,905	1,603	1,110	2,831	8,896	Ind. of N. A.	2,002,441	547,785	94,539	759,869	486,493	15,791	964	17,949	51,977
Cas. Ind. Ex.	97,795	.....	1,093	46,980	47,158	.....	.....	.....	.....	Inland Mutual	833,181	38,936	11,731	196,321	185,955	104	2,235	5,142	5,340
Cas. Recip. Ex.	107,006	.....	.....	44,824	37,845	.....	.....	.....	.....	Ins. Co., N. A.	179,071	19,306	1,602	35,221	41,517	.....	1	1,483	796
Centennial	44,410	.....	.....	23,758	16,935	.....	.....	.....	.....	Internatl. Fd.	204,303	163,616	36,899	.....	.....	.....	.....	.....	.....
Central Natl.	3,184	146	121	1,458	1,331	.....	.....	61	68	Lansing Empl.	79,891	69,743	8,890	.....	.....	.....	.....	.....	.....
Central Surety.	14,027	.....	11,734	.....	.....	.....	.....	2,275	1,932	Liberty M. Fire	680,119	.....	.....	6	7	.....	.....	.....	.....
Century Ind.	5,267	.....	4,017	.....	.....	.....	.....	1,250	.....	Liberty Mutual	25,859	25,859	.....	.....	.....	.....	.....	.....	.....
Check. Mu. Au.	33,275	18,882	3,524	3,476	3,475	.....	.....	174	.....	Lincoln M. C.	383,132	.....	42,601	34,267	.....	.....	.....	.....	.....
Citizens Cas.	21,421	12,288	342	4,411	4,411	.....	.....	.....	.....	Lomb. M.C., Ill.	1,869,312	1,978,819	136,618	269,283	229,239	37,508	.....	9,180	21,956
Citizens Mu. Au.	161,388	.....	.....	.....	.....	.....	.....	.....	.....	Mfrs. & Merch.	310,583	42,206	16,828	131,877	87,388	26,212	.....	2,272	35,119
Columbia Cas.	680,089	.....	.....	9,827	10,109	.....	.....	.....	.....	Mfrs. Cas.	241,755	.....	.....	218,145	218,145	.....	.....	.....	.....
Comm. Cas.	174,748	.....	.....	8,680	4,858	.....	.....	.....	.....	Maryland Cas.	223,667	42,960	22,563	48,223	46,121	3,012	15,276	9,994	21,618
Conn. Indem.	320,796	24,808	46,513	76,782	60,735	629	48,889	1,913	6,921	Mass. Bond.	74,906	25,449	8,953	4,508	20,202	.....	.....	4,805	8,493
Consol. Und.	46,063	7,152	6,255	4,340	18,230	123	.....	976	225	Mass. F. & M.	226,153	58,674	18,422	21,860	18,037	644	.....	3,617	14,904
Cont. Cas.	635,375	134,409	78,482	156,562	130,228	12,451	15,411	28,295	61,039	Mass. Pl. Gl.	44,313	16,974	1,898	21,114	19,921	10,000	.....	847	2,099
Dearborn Natl.	210,209	51,425	21,662	23,811	62,484	2,261	595	10,656	32,349	Med. Prot.	834,129	379,006	4,095	119,581	94,184	2,176	.....	11,908	9,884
Detroit Au. Ex.	341,228	.....	.....	124,901	124,901	.....	.....	.....	.....	Metals Mut.	447,978	88,062	36,185	29,520	32,769	.....	.....	.....	.....
Detroit F. & M.	269,511	.....	.....	101,878	67,147	.....	.....	.....	.....	Metro. Cas.	262,045	64,386	18,215	25,369	27,727	.....	.....	.....	.....
Detroit M. Au.	129,511	.....	.....	12,983	3,883	.....	.....	.....	.....	Mfrs. Cas.	741,163	119,461	30,354	335,866	164,788	5,005	9,196	10,582	20,081
Eagle Indem.	5,697	.....	.....	5,322	.....	.....	.....	.....	.....	Maryland Cas.	375,309	77,054	21,049	60,035	64,421	1,501	.....	1,817	6,203
Elec. Mut. Liab.	7,985,465	2,174,232	2,257,322	1,827,943	204	204	.....	1,635	.....	Mass. Bond.	1,921,627	488,166	158,118	254,717	194,862	57,693	226,844	43,616	119,728
Emmeo Cas.	3,606,360	.....	.....	220	1,091,020	957,057	.....	.....	.....	Mass. F. & M.	570,453	249,107	23,022	90,604	59,822	19,373	7,767	19,521	21,314
Empl. Cas Und.	353,269	31,609	13,835	40,558	37,603	2,800	9,282	2,284	7,469	Mass. Pl. Gl.	727,955	139,899	46,912	219,918	140,212	12,609	8,251	15,714	19,583
Empl. Fire	13,972	53,431	14,619	16,099	20,153	4,328	9	628	2,282	Med. Prot.	298,756	56,362	5,601	92,841	73,687	8,258	1,125	8,027	7,864
Empl. Liab.	158,533	1,761	10,057	35,430	34,393	1,899	918	4,009	3,868	Metals Mut.	100,951	.....	.....	.....	.....	.....	.....	.....	.....
Empl. Mu. Cas.	66,993	8,940	753	9,181	13,929	879	.....	1,921	1,250	Metro. Cas.	53,699	.....	.....	.....	.....	.....	.....	.....	.....
Empl. M. Liab.	181,301	.....	9,742	41,761	40,197	.....	.....	6,322	10,316	Mfrs. Cas.	59,387	.....	.....	.....	.....	.....	.....	.....	.....
Excess	54,961	.....	114	10,241	10,196	.....	.....	2,377	1,606	Maryland Cas.	99,255	.....	.....	.....	.....	.....	.....	.....	.....
Fact. M. Liab.	134,932	.....	.....	5,961	5,292	.....	.....	.....	.....	Mass. Bond.	43,628	.....	.....	.....	.....	.....	.....	.....	.....
Farm Bur. M.	35,473	.....	.....	2,158	3,102	.....	.....	.....	.....	Med. Prot.	75,259	75,259	.....	.....	.....	.....	.....	.....	.....
Federal	854,812	234,812	118,576	149,806	130,658	17,100	15,425	16,490	61,224										

	Total Premiums and Losses	Work. Comp. Premiums and Losses	Other Liab. Premiums and Losses	Auto. Liab. Premiums and Losses	Auto. P.D.L. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses
Northeastern ..	338,689			45,254	46,403				
N. W. Nat. Cas.	127,889			14,542	17,531				
Ocean Acc.	60,281		2,873	27,484	24,718			2,532	2,560
Ohio Cas.	21,964			7,833	11,830			934	418
O. Fms. Ind.	188,928	38,874		24,549	21,496	6,029		3,893	27,369
Pacific Empl.	73,470	39,178		795	12,410	6,344		790	6,047
Peerless Cas.	1,763,436	170,133	117,531	561,271	422,854	50,572	58,624	49,444	91,481
Phoenix Ind.	696,000	65,400	13,280	285,715	219,265	6,083	2,559	15,058	23,192
Preferred Acc.	87,923		2,055	48,782	35,129			1,685	775
Prov. Wash.	173,884	150,707	5,677	3,215	3,305				
Royal Ind.	90,959	81,041	550	500	1,308				
Secured Cas.	47,170		3,720	7,550		4,756	26,020		
Shelby M. C.	449,590	88,721	18,807	92,821	89,234	6,012	6,868	26,902	42,573
Standard Acc.	150,550	28,814	8,816	71,737	49,424	2,262	22	13,488	
State Auto, Ind.	105,782	8,415	2,251	32,595	26,353		10	1,743	934
State Au. Mut.	97,234	16,650	577	53,406	18,173	18	—180	930	1,912
State Farm, Ill.	1,837,730		299,938	207,577					
West Amer.	664,057		5,187	122,662	98,258				
West. Surety	708,898			4,488	3,973				
Wolverine	304,149			266	987				
Yorkshire Ind.	216,049			83	76				
Zurich	72,420								
Auto. Indem.	2,153,092	551,302	167,773	312,196	352,052	10,823	12,158	22,165	50,942
Auto P.D.L.	1,218,514		47,927	340,640	266,914	6,984	—3,720	7,262	16,589
Boiler & Mach.	1,191,779	165,153	131,067	310,070	285,279	24,105	128,516	41,459	81,403
Boiler & Mach.	439,139	93,328	28,496	143,641	128,209	1,307	5,110	12,235	24,012
Boiler & Mach.	336,800	10,926	97,768	74	61,821	139,008		21,619	
Boiler & Mach.	55,256	—551	44,924		—530	5,576		5,069	
Boiler & Mach.	11,034	384	190	4,047	3,575			63	931
Boiler & Mach.	50,980	46,625	101	677	505				11
Boiler & Mach.	74,449	42,520	1,927	31,122	4,334				
Boiler & Mach.	999,918	34,766	33,264	232,477	207,370			55,792	30,903
Boiler & Mach.	404,475	19,163	78,138	115,709	115,709			29,605	9,224
Boiler & Mach.	2,563,424	564,753	237,496	310,750	284,147	158,005	533,678	55,881	107,470
Boiler & Mach.	1,001,353	310,511	116,753	145,328	130,220	24,707	—5,073	20,731	21,477
Boiler & Mach.	21,172			9,473	7,710				
Boiler & Mach.	7,525			5,141	2,368				
Boiler & Mach.	638,800		7,623	174,179	154,682			1,580	2,291
Boiler & Mach.	237,232		593	64,678	66,695			485	—221
Boiler & Mach.	5,743,950		10,424	1,796,403	734,793				
Boiler & Mach.	3,075,030		—1,488	969,301	747,587				

1950 Michigan Totals by Classes Shown

	1950	1949
	Direct Writings	Net Losses
Workmen's Comp.	30,095,960	15,257,168
Other Liability	6,559,482	1,566,910
Auto Liability	34,759,323	14,901,991
Auto P.D.L.	25,712,222	13,671,723
Other P.D.L.	2,242,283	482,837
Fidelity	2,057,045	451,453
Surety	3,993,935	236,466
Glass	1,614,583	600,609
Burglary	4,012,471	1,198,023
Credit	317,148	13,358
Boiler & Mach.	2,426,844	499,491
Livestock	27,992	13,230
A & H	72,057,456	45,142,994
Hospitalization	54,925,488	44,611,720
Totals of above classes.	240,805,232	138,558,963

Premiums in these tables are shown on a direct writings basis and losses on a net incurred basis, except for reinsurance companies in which case net premiums written and losses incurred are reported. Losses in the A & H table are reported as net paid for life companies and as net incurred for casualty companies. In addition, premiums are reported as net written for Federated Mutual Implement & Hardware, Hardware Mutual, Liberty Mutual Fire, and losses as net paid for Union Casualty.

Totals for the individual companies include the casualty lines shown in the accompanying tables and property damage other than auto as well as fire and allied lines when written.

*1949 totals include auto P.D.L. and collision as well as P.D.L. other than auto.

†Hospitalization business is reported as net premiums written and net losses paid.

Other Lines

	Direct Writings	Net Losses
	Incurred	Incurred
Accident & Health		
Accident & Casualty ..	1,861	—
Aetna Casualty	982	—250
Aetna Life	7,823,509	5,856,213
Allstate	250	—
Amer. Casualty	91,165	51,193
Amer. Employers	15,551	3,732
Amer. Farmers Mut.	25,721	—
American, N. J.	229	—
Amer. Motorists	15,746	9,035
Amer. Mut. Liab.	18,977	75,402
Amer. Policyholders	52,320	25,671
Amer. Reins.	5,720	451
Amer. Surety	105	—800
Anchor Casualty	—	23
Ann Arbor R. R. Empl.	6,272	5,412
Associated Indem.	317	181
Atlas Life	396	597
Bankers Indemnity	218	—
Bankers L. & C.	3,948,739	2,442,029
Bankers Life, Ia.	278,787	181,509
Bankers National Life	29	—
Beneficial Standard	230,498	98,578
Ben. Assn. Ry. Empl.	792,710	501,637
Berkshire Life	198	14
B. M. A.	144,983	97,762
Central Life, Ill.	53,894	20,853
Central National	956	1,008
Central Surety	—	—
Century Indemnity	2,895	1,605
Columbia Casualty	1,516	—162
Columbian National	6,656	1,194
Columbus Mutual	5,582	2,979
Combined	150,762	59,145
Commercial Casualty	63,823	30,172
Commonwealth Cas.	209,255	65,302
Community Life	47,076	26,201
Confederation Life	1,173	—
Conn. General	722,163	511,928
Constitution Life	91,011	8,590
Continental Assurance	1,381,301	923,807
Continental Casualty	1,704,157	699,159
Dearborn Natl. Cas.	5,686	2,189
Detroit Mutual	1,168,514	415,573
Kagle Indemnity	—17	—
Employers Liability	24,065	15,132
Employers Mut. Cas.	3,390	11,026
Employers Mut. Liab.	57,636	37,487
Employers Reins.	22,569	10,641
Equitable Society	2,353,399	1,501,327
Excess	—	67
Federal Life & Cas.	232,592	76,934
Federal Life	165,266	114,320
Fidelity & Casualty	67,554	30,924
Fidelity H. & A.	523,145	241,148
Fireman's Fund Indem.	4,421	—72
Franklin Life	9,917	1,621
General Accident	44,450	11,445
General American Life	528,173	439,320
General Reins.	9,489	—2,800
George Rogers Clark	177,029	181,658
Glens Falls Indemnity	2,644	1,022
Globe Indemnity	24,821	5,568
Great Amer. Indem.	6,603	1,893
Great-West Life	95,224	61,491
Guarantee Mutual	8,176	2,643
Hardware Mut. Cas.	504,205	281,850
Hartford Accident	112,745	18,741
Hawkeye Security	2	—
Home Indemnity	12,248	605
Home Life, N. Y.	3,779	1,418
Hoosier Casualty	354,726	192,699
Illinois Bankers Life	4,159	725
Illinois Mutual Cas.	67,554	4,603
Income Guaranty	13,281	70,625
Indemnity of N. A.	75,994	65,192
Independence L. & A.	36,585	1,881
Inter-Ocean	756,391	455,423
Inter-State Assurance	51,411	24,038
Jefferson National	8,065	2,190
John Hancock	3,954,320	2,595,014
Kemba Mutual	67,850	66,112
Liberty Mutual	371,038	307,011
Life of Virginia	13,894	7,634
Lincoln Mut. Cas.	10,737	377
Lincoln National	121,565	85,004
Loc. Eng. & Cond. Mut.	10,596	4,409
London & Lanc. Indem.	7,815	2,226
London Guarantee	3,221	749
Loyal Protective	126,602	45,866
Lumbermens Mut. Cas.	184,623	123,449
Manufacturers Cas.	106,545	64,536
Maryland Casualty	40,191	11,704
Mass. Bonding	115,648	48,621

	Total Premiums and Losses	Work. Comp. Premiums and Losses	Other Liab. Premiums and Losses	Auto. Liab. Premiums and Losses	Auto. P.D.L. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses
Suburban Cas.	1,058								
Summit F. & S.	34,024			950	113				
Sun Indem.	706,589	88,396	47,959	190,734	179,120	7,816	16,690	29,681	38,147
Transit Cas.	42,406	5,381	11,435	146,604	66,803	1,397	551	11,813	9,011
Transportation	14,493	5,292		31,387	5,539		100		
Travelers Ind.	69,926		2	7,519	1,682				
Travelers	15,332								
Travelers	3,200,494		76,291	717,770	977,537	56,288	172,101	50,384	221,379
Un. Natl. Ind.	7,660,347	2,067,425	438,167	634,092					
United Pacific	5,224,405	961,959	155,221	348,682					
U. S. Cas.	22,158	3,863	2,555	6,645	6,230	133	883	516	779
U. S. F. & G.	12,957	2,252	384	6,938	2,445			49	282
U. S. Guar.	25,060						25,069		
Utica Mutual	23,541	9,819	2,637	2,070	1,081	250	133	319	1,324
Va. Surety	2,651	2,667	2,620	2,109	121	181	350	—201	
West Amer.	2,901,972	493,575	563,240	506,005	80,157	431,481	143,178	248,604	
West. Cs. & Sur.	1,099,750	241,508	332,965	257,785	13,717	—6,199	57,445	98,582	
West. Surety	313,426	1,697	18,106	14,939	12,791	105,072	120,917		25,275
Wolverine	23,842	1,781	25	6,442	5,440	7,809	722		633
Wolverine Mut.	4,078	1,780	494	833	651				
Yorkshire Ind.	—376	—669		—349	109				
Zurich	72,885		47,357	25,527					
	29,307		14,959	14,349					
	24,929								
	16,861								
	1,054,576	124,961	92,077	337,047	269,954	10,492	36,529	72,731	65,880
	404,479	49,993	15,790	143,358	156,041	15	—15,331	21,824	15,883
	63,301						23,987	40,214	
	358						210	148	
	4,580,170		89,894	1,159,158	846,426			41,948	44,296
	1,372,168		14,221	393,961	353,422			11,631	14,991
	344,005			115,530	72,725			145	
	127,432			42,155	32,853			43	
	172,040	19,728	12,821	45,609	41,808	294		8,881	19,906
	87,103	8,882	4,615	38,099	21,352	270	1,667	3,635	2,580
	3,354,803	1,128,438	249,367	527,098	443,539			64,055	127,156
	2,061,875	616,302	109,426	342,753	290,817			27,844	34,147

	Direct Writ
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EVERY CONTENTION REJECTED

Arcadia National Mail Fraud Verdict Upheld; Two Face Prison, \$10,000 Fines

In an opinion that emphatically rejects every contention of the appellants, the federal circuit court of appeals at Chicago has upheld the mail fraud convictions of Alfred Sylvanus, 37, president of Arcadia National of Chicago, and his co-defendant, Voyle Clark Johnson, 59, an agent for the company.

Mr. Sylvanus, who was sentenced to three years in prison and fined \$10,000, plans to appeal to the U. S. Supreme Court.

Mr. Johnson, who drew an 18-month sentence and a \$10,000 fine, will not appeal.

At the trial before Federal Judge Barnes at Chicago, the prosecution, handled by Edward J. Ryan and Warren P. Hill, assistant U. S. attorneys, called a great number of witnesses to show the contrast between the company's claim practice and the promises in its advertising of limited A. & H. contracts.

Northern Trust Life Trial

Northern Trust Life of Aurora, Ill., and two of its officials were indicted for mail fraud last year. The trial has been repeatedly postponed in view of the pending appeal of Arcadia National but it is expected that the trial will take place soon, probably in June, in federal court in Chicago.

The Arcadia defendants based their appeal on the contention that Judge Barnes should not have let the case go to the jury but should have granted the defendants' motion for acquittal.

The opinion cited much of the advertising that was used and said that both it and the testimony of the numerous witnesses tended to support the government's theory and the charge in the indictment.

Not Absolved by Refund Offer

Although both defendants insisted that the record contained no proof of fraudulent intent, the decision states: "In this connection they urged that regardless of any promises or representations the offer of refund after inspection of the policy by a prospective insured, negated any basis for a finding of fraud. Under repeated decisions, the purchaser is entitled to rely upon the representations made. He need not distrust what is told him. . . . The statute was intended to protect the gullible, the ignorant and the over-credulous as well as the more skeptical. . . . It goes without saying almost that it is extremely difficult for a layman to understand the terms and conditions of such policies as these but whether the applicant did or did not read and understand the policies is beside the point. The question was whether, upon the whole record, the representations were fraudulently made and this was a question for the jury."

"Considering all of the evidence submitted in support of the charge and keeping in mind the appeals dealing with loss of life or health, financial difficulties, procuring food in times of stress, all strongly emotional in effect, though purporting to deal with a business venture, we conclude that it cannot be said that the trial judge should not have submitted the issue to the jury. This is not a trial de novo. We do not weigh the evidence but determine only that it was such that the court did not err in denying the motion for acquittal."

WORKED TOGETHER

The appeals court, taking up Mr. Johnson's contention that no evidence connected him with the scheme, said: "However, it is clear that he worked closely with Sylvanus and Arcadia; that his advertising was subject to the same criticism as that of the company; that Arcadia, Sylvanus and Johnson were

co-workers in the same cause. Johnson knew what the policies were; indeed he was bound to know what they were, for one is required to know of matters pertaining to his own business and if he makes representations with reference thereto, not knowing whether they are true or false, cannot complain if he

is convicted. . . . A purchaser is entitled to rely upon representations made in advertising and not mistrust what is told him by the seller. . . . Johnson's misrepresentations in his attempts to sell what he advertised, was evidence tending to show that he had identified himself with the scheme and with the conspiracy which the jury found existed. Whether the scheme had being and whether the conspiracy existed, as we have said, were questions of fact for the jury."

The appeals court dismissed Mr. Johnson's complaint of being found

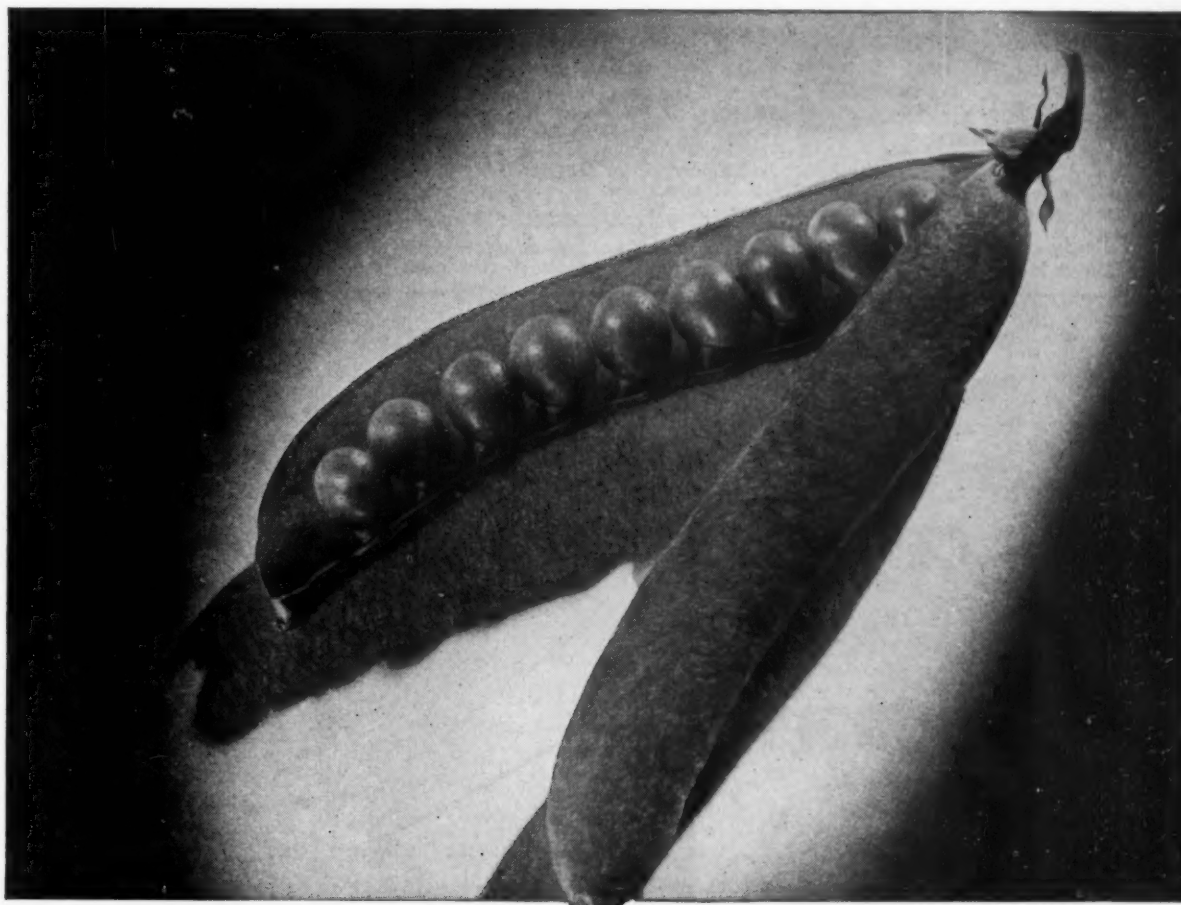
guilty on some counts on which he was innocent by saying that even one of the counts was sufficient to justify the 18 months' sentence he received and that he might have been sentenced for a longer period.

Needn't Have Defrauded Victims

As to the defendants' contention that it was not proved that the victims saw certain of the advertising material on which the government relied, the court stated: "This contention overlooks the essential nature of the offense charged."

(CONTINUED ON PAGE 34)

"Unforeseen events . . . need not change and shape the course of man's affairs"



Peas aren't people

People are different—all of them. You can never predict when a person—perhaps one of your own employees—will suddenly step out of line and do a dishonest act.

Abscondings, embezzlements and other employee defections have ruined or embarrassed many a business. For all employers run the risk of financial loss from employees' dishonesty. It is up to the employer to protect his interests.

A blanket Maryland Fidelity Bond arms a company against possibility of loss from employee

dishonesty. You can get a Fidelity Bond to cover every person on your payroll, whether your business is large or small. You can get a Fidelity Bond in any amount you need. And when you do get one of these bonds, you are investing in *guaranteed honesty*—the best policy for any business.

Call your Maryland agent or broker today. He'll be glad to give you details about a Fidelity Bond fitted to your own requirements.

Remember: because your Maryland agent knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

Another striking advertisement designed to help Maryland agents and brokers sell more and larger blanket Fidelity Bonds.

CHANGES IN CASUALTY FIELD

American Surety Promotes Two at Indianapolis

Thomas W. King, who has been manager at Indianapolis for American Surety group, has been named resident vice-president there. Mark S. Allison succeeds Mr. King as manager.

Mr. King joined the company in 1917 as special agent in Indianapolis, was appointed assistant manager in 1922 and manager in 1936. Mr. Allison was educated at Ohio State University. He joined the company in 1941, served as special agent in Toledo and Cleveland and was appointed assistant manager at Columbus in 1947. He was transferred to Indianapolis as assistant manager in 1949.

Neff Pittsburgh Manager

The Pittsburgh office of Standard Accident has been expanded into a branch and Theodore R. Neff has been appointed manager. It occupies new and larger quarters in the Union Bank building. Mr. Neff attended Wittenberg college. He started with New York Life in 1930 as an agent and went

with Standard in 1934 as a casualty underwriter at the home office. Since 1947 he has been manager of the underwriting department in the Detroit branch. The V. L. P. Shriver general agency of Pittsburgh will continue to report direct to the home office.

Trinity Universal Names Three in Office, Field

Houston W. Briggs has joined Trinity Universal as field supervisor for the fidelity and surety department; Thaddeus A. Kenny has joined the company in charge of fidelity and surety operations in Indiana, and J. Fred Harlan has been named special agent at Kansas City.

Mr. Briggs, who will be at the head office, for 14 years was with U.S.F. & G. as manager at Mobile, Ala. Before joining Trinity Universal, he was Texas field supervisor for Massachusetts Bonding for two years.

Mr. Kenny was at Chicago with American Employers.

Mr. Harlan started as an underwriter with American Automobile at Kansas

City and after service in the air force became liability underwriting supervisor. Since 1949 he has been agency supervisor for Standard Reliance of Lincoln, Neb.

Kinney Takes Dallas Post

The Phoenix-London group has appointed Myron D. Kinney casualty underwriting manager of its southwestern branch office at Dallas.

Mr. Kinney has had many years' casualty experience, most recently with J. R. Foster & Son, general agents of Fort Worth.

Rogers Joins Mutual Service

Eugene B. Rogers, formerly assistant general agent of Aetna Life at Minneapolis, has been appointed a vice-president of Mutual Service companies, St. Paul, and will have complete charge of sales development and activity.

Advance Utilities Officials

George E. Gantner, who has been in charge of the claim department of Utilities of St. Louis, has been elected a vice-president. L. N. Lawson, head of the personnel department and secretary to President John J. Nangle, was

made assistant secretary. Both have been with the company since about 1922.

Two new directors were elected, E. L. Kuhs, president of Kuhs Buick Co. of St. Louis, and S. G. Lipic, president Rite Point Pen Co., St. Louis.

Two Leave Tex. Department

Reginald M. Hill, statistical auditor and investigator with the casualty division of the Texas department, has resigned to go with American General of Houston in the underwriting department. Thomas W. George, Jr., has resigned as automobile policy auditor in the casualty division to join the underwriting department of Lloyds Alliance, Austin.

Terry Named in Okla.

Hartford Accident has appointed Shuril C. Terry as superintendent of the bond department in the Oklahoma office. With Hartford since 1947, Mr. Terry has been special agent in Oklahoma.

Davis, Thompson in Change

Ben E. Davis, superintendent of the bond department at Dallas for Continental Casualty, has resigned and is succeeded by Wesley C. Thompson, formerly assistant manager at Houston for National Surety. Mr. Davis goes to the home office of Western Casualty & Surety as assistant to Kenneth Mead, vice-president in charge of fidelity and surety operations.

Travelers Opens New Unit

Travelers has opened an agency service office at Lubbock, Tex., staffed by Marshall D. Branum, in charge of fire and casualty, and R. C. Wright, in charge of claims. For the time being, the office is under direction of the Dallas office.

Max E. Talmage has been made manager of the casualty and property department at Kansas City for Standard Accident. He has been an underwriter there.

ACCIDENT

Indemnity of N. A. Adds New Faces to A. & H. Unit

Indemnity of North America has appointed E. H. Marshall, superintendent of the A. & H. department, and Harry L. Graham has been appointed assistant superintendent. Mr. Graham has been superintendent of the A. & H. department of Manufacturers Casualty.

As now constituted, the department is headed by W. E. Kipp, assistant secretary, assisted by Mr. Marshall as superintendent, Mr. Graham and James L. Smithson, Jr., as assistant superintendents.

Hear Murphy at Milwaukee

Gerald J. Murphy spoke at the May 3 meeting of A. & H. Underwriters of Milwaukee on "Six Rules for Success." Mr. Murphy is with Time at Milwaukee, and was the winner of the Leiby-Gordon memorial essay contest of sales ideas sponsored by the International Assn. of A. & H. Underwriters for its forthcoming portfolio of sales ideas.

Daily to N. Y. Blue Cross

Dr. Edwin F. Daily has resigned as director of health services for the children's bureau, Department of Labor, to become deputy medical director of Health Insurance Plan of Greater New York, effective June 4. He has been with the children's bureau 15 years in charge of administering the federal program of maternal and child health services and services for crippled children.

Sterling of Chicago has been licensed to write life and A. & H. in Maryland. It is licensed now in 23 states.

CENTRAL

SURETY

AND

INSURANCE

CORPORATION

It's Wise
to Centralize



CENTRAL SURETY AND INSURANCE CORPORATION

LICENSED IN ALL STATES

- Centrally Located
- In The Heart of America
- Home Office - Kansas City, Mo.



Contract
Court
Public Official
License
Forgery
Fidelity



A MULTIPLE LINE
COMPANY

It's Wise to Centralize

Fire
Inland Marine
Personal Property
Floater
Accident
Compensation
Auto (Multiple Cover)
Liability
Burglary
Plate Glass



A Capital Stock
Company writing
business through
licensed agents and
brokers only



Employ Reserve

Employees' Reserve Fund, which was \$5,277,138 in 1950, has increased to \$5,277,138 in 1951.

Of the \$5,277,138, \$1,000,000 is for self-insurance, \$1,000,000 is for the remainder of the fund, and \$3,277,138 is due to the company and its employees.

Assets of the fund are \$5,277,138, less \$1,000,000 for self-insurance, leaving \$4,277,138. The fund has a reserve of \$1,000,000, and a reserve of \$1,000,000, and a reserve of \$1,000,000.

Proper of Emp

Frank H. Employers' share line, years, has president underwriting.

Mr. Propany 25 years, the fidelity, formerly v, ing and N. He was the A. & very active Conference.

New Sh

Shelby I. contracts town hom O., to cos will add floor space company.

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Idaho C Is on G

A hearing before Comm on the reg dustrial ad tana licen Ins. Co. b chairman compensat Idaho Cor extended assets an justify the handling; a tendency liability on or on the repeatedly narrow int Widows quired to litigation claims. Mr Compensa and that i enced by c Although come due the date Coombs, t pensation Idaho Com

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COMPANIES

Employers Re Premiums and Reserves Up in 1st Quarter

Employers Reinsurance reports premiums written the first quarter of 1951 were \$5,277,199, compared with \$4,427,774 in 1950.

Of the increase about \$266,000 was in fidelity and surety, with a modest increase in burglary reinsurance, excess for self-insured and in fire business. The remainder of the increase largely is due to rate increases in auto liability and compensation.

Assets rose from \$48,736,172 to \$49,381,703 in the three months. Claim reserves rose about \$2,300,000 to \$25,477,138, largely because of inflationary trends. The unearned premium reserve of \$10,812,691 compared with \$10,629,761 at the close of 1950. The voluntary special reserve totaled \$461,737, a drop of \$1,647,506 for the quarter, due in large part to the establishment of additional reserves for losses incurred but not reported.

Proper Named Executive V.P. of Employers Reinsurance

Frank P. Proper, a vice-president of Employers Reinsurance in charge of share lines of reinsurance for many years, has been elected executive vice-president and given supervision over underwriting operations.

Mr. Proper has been with the company 25 years, starting as manager of the fidelity and surety department. He formerly was with Massachusetts Bonding and National Surety.

He was for some time in charge of the A. & H. department and has been very active in H. & A. Underwriters Conference.

New Shelby Mutual Building

Shelby Mutual Casualty has awarded contracts for construction of a downtown home office building at Shelby, O., to cost \$750,000. The new building will add about 50,000 square feet of floor space to that already used by the company.

COMPENSATION

Idaho Compensation Ins. Co. Is on Grill in Montana

A hearing is to be held May 10 before Commissioner Holmes of Montana on the request of the Montana state industrial accident board that the Montana license of Idaho Compensation Ins. Co. be revoked. Walter P. Coombs, chairman of the Montana workmen's compensation commission, alleges that Idaho Compensation has become overextended in its underwriting; that its assets and capital structure do not justify the amount of business that it is handling; that Idaho Compensation has a tendency to "shave claims and denies liability on the basis of technical niceties or on the slightest provocation and has repeatedly made the most restricted and narrow interpretation of the laws."

Widows, he charges, have been required to employ counsel and engage in litigation to secure settlement of claims. Mr. Coombs charges that Idaho Compensation has no regular rate policy and that its premium charges are influenced by competition.

Although compensation payments become due and payable 28 days following the date of injury, according to Mr. Coombs, the average time in which compensation payments are commenced by Idaho Compensation is 71 days.

N. J. "Comp" Rates Up 6.4%

Increased rates for workmen's compensation and employers liability insurance have been approved by the New

Jersey department. The new rates, filed by Compensation Rating & Inspection Bureau of New Jersey, will raise the collectible rate level 6.6%, effective July 1. The manual rate change is an increase of 6.4%.

The revision includes a complete adjustment of rate relativity based on policy years 1939-1948. The 1950 calendar year report of all companies combined developed a loss ratio of 62.7%.

Cal. Bureau Bill Passes

A bill has passed the lower house of the California legislature to give statu-

tory recognition to, and to provide for state regulation of California Inspection Rating Bureau, this being the workmen's compensation bureau. Under the present rating law there is no reference to rating bureaus.

Refuses W. C. Rate Hike

RICHMOND, VA.—Virginia corporation commission has turned down a request by Workmen's Compensation Inspection Rating Bureau asking for a 3.8% boost in workmen's compensation

rates. The bureau contended that the 17% rate reduction ordered last year had taken the profit factor from rates.

Sailer on N. D. Commission

R. J. Sailer of Hazen has been appointed employers' representative on the North Dakota compensation commission to fill a vacancy. He has been in the banking and implement business.

Founders of Los Angeles has moved its Dallas office to 912 Mercantile Securities building.

REINSURANCE

CASUALTY • FIDELITY • SURETY

*North American
Casualty and Surety
Reinsurance Corporation*

99 JOHN STREET
NEW YORK 38, NEW YORK

Package Coverage...

PUBLIC LIABILITY

WORKMEN'S COMPENSATION

AUTOMOBILE COVERAGE

Why not check into the advantages offered by C. O. C. C. specialization in providing the coverages noted above. Specialization that results in simplified insurance functions for your client and more profitable business volume for you.

Write today for complete details!

**COAL OPERATORS
CASUALTY COMPANY**
GREENSBURG, PA.



ACCIDENT COVERAGE FOR PEOPLE PAST SIXTY



Don't pass up this business!

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added mate-

rially to their premium incomes by writing the Over Age Accident Contract.

It covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

Underwritten by Lloyd's of London

R. N. CRAWFORD & CO., Inc.
120 So. La Salle St., Chicago. Tel. RAndolph 6-0750

Wood Answers Interesting Questions on Fidelity

NEW YORK—At a recent meeting of the New York City chapter of the Institute of Internal Auditors, Richard T. Wood, manager of the fidelity department of American Surety, answered three questions. The questions and answers are substantially as follows:

Before writing a fidelity line, shouldn't the investigation made by the surety be principally of insured's accounting system and method of operation, rather than of the record and habits of each individual employee?

Answer—While investigation of employees is important and in the days of individual bonds for employees the surety investigated each employee thoroughly, that is not the case today when there is considerable latitude used in investigating employees. As far as commercial risks are concerned, it is not practicable for the surety to investigate class C employees for whom no premium is charged, or even class B employees for whom a premium of 81 cents is charged under a primary commercial blanket bond, which charge may be subject to an experience credit of as high as 47.5%. It is usual for class A employees to be investigated, particularly the key personnel. Investigation of each individual employee does not reflect current practice.

Information Surety Seeks

When the surety writes a commercial blanket bond, it asks the nature of insured's business, whether it sells to wholesalers, retailers or consumers, number of branches operating, frequency of audits and inventory of merchandise, by whom made, whether bank accounts are reconciled by someone not authorized to deposit or withdraw therefrom, whether countersignature of checks will be required, whether securities will be subject to joint control by two or more responsible employees, and what dishonesty losses have been sustained in the past five years, together with any corrective measures, other than discharge, taken. If insured has a good reputation, and the risk is satisfactory on these points which include satisfactory experience previously, there is not too much else the surety can afford to do for a starter.

Unless there are glaring defects in the system, an outsider is in no position to say with assurance that a change should be made. Any system depends for its operation upon the human element. Questions on the quality of supervision, and the efficiency of management may be definitely resolved when a claim is thoroughly investigated, but they cannot be determined lightly or superficially. While the surety selects its risks carefully and at the time of its initial survey of the risk, before or when it is written, makes a point of recommending steps to prevent or minimize loss, it is also in a good position to be helpful to insured after one or more claims have occurred which bring out clearly the method of operation and indicate weak spots, if any. That is when the surety does effective work in preventing or minimizing further loss.

Amount of Fidelity to Carry

What amount of fidelity bonds should be carried?

Answer—Commercial concerns do not share common factors of operation in the same way as do banks. Hence it is not possible to select a single factor on which to base the need of commercial concerns for fidelity coverage. Proper protection demands intelligent anticipation of events improbable yet possible. It is a question of how much the firm can lose and how much protection is necessary to cover the largest loss which can be sustained. The factors involved include size as reflected by total assets, control of or access to cash or securities by officers or employees, signing powers of officers or employees, auditing

system, management, number of employees, prestige of insured, hazards, probable amount of loss and cost.

Insured are cautioned not to be too optimistic in fixing bond amounts. After considering that fidelity losses may be inconsequential in amount or unbelievably large, large losses generally are the result of speculations over a long period, that the amount of shortage an employee may cause is not limited by the amount of funds or other property to which he has free access at any given instant or extended period of time, and fixing the amount of bond for each employee, insured should triple the estimate for each position or at least for the more hazardous ones.

In almost every business, there is an amount of loss which would by virtue of its size be disclosed. On an annual basis, this is estimated to be 10% of cash, receivables and inventory of a business. Because the average large loss remains undiscovered for about 3½ years, the possible annual loss should be multiplied by three.

Need Loss Prevention

What is the answer of the internal auditor to management when the auditor's recommendations for strengthening controls are dismissed with the statement that controls are immaterial when fidelity bonds are carried?

Answer—Assuming the amount of bond carried will take care of losses sustained, it should be remembered that most risks are subject to experience rating so that with good experience and, depending on its size, the premium may be reduced by a sliding percentage running as high as 47.5%, a worthwhile saving. If experience is bad, insured ultimately loses his experience discount, and if it continues bad, surety either asks that corrective measures be applied to prevent or minimize losses or it cancels the line. Insured could find himself in the position of not being able to get dishonesty insurance if experience was bad and he refused to take any steps toward remedying the situation.

Kan. Group Hears Attorney

Kansas Assn. of A. & H. Underwriters met April 30 at Wichita with Kenneth L. Myers, Wichita attorney, speaking on "Ideas-War." Advance plans for the sales congress June 8 were announced by President Robert Tyler, Tyler agency.

Gould to Richmond Post

Charles R. Gould of the Akron claim office of American Surety has taken charge of its Richmond claim office.

New Office Managers Named

M. R. Brafford, formerly assistant office manager at Oklahoma City, has been appointed office manager at Denver for Travelers. He succeeds L. E. Dolan, who is retiring.

C. C. Bennett, assistant office manager at Atlanta, has been appointed office manager at Indianapolis, succeeding S. A. Bishop, who is retiring.

Wins Public Service Award

Mutual Benefit H. & A. has received the National Safety Council's 1950 public interest award for its advertisements in the Saturday Evening Post, Time, and Life magazines last year. The award is made annually to public information media for exceptional service to safety.

Emily Casford, Wheeler, Kelly, Hagney, region 7 director of National Assn. of Insurance Women, was elected president of the Insurance Women of Wichita, succeeding Gladys Courtner, Dorth Coombs agency. Vice-presidents are Neva Cooble, Sheffer-Cunningham-Ashley, and Della Wheeler, Roth agency; secretary, Marie Cowan of Cook & Colver; treasurer, Lawanda Klassen, L. W. Bauerle agency.

Insurance Big Spot

The Illinois swing and on several Wednesday bill providing will not be unless don't payment of celeration su considered

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Otto C Harleysvil president, administra casualty i appointme Columbia district sa tual.

Broderick

R. P. Broderick justing fir building, office at 1

Defense

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Insurance Legislation Takes Big Spot on Illinois Calendar

The Illinois legislature is now in full swing and is holding hearings this week on several bills affecting insurance. On Wednesday there was a hearing on the bill providing that casualty companies will not be allowed to cancel any policy unless done so within 30 days after payment of the first premium. Any cancellation subsequent to that would be considered inapplicable.

The committee on liquor regulation had a hearing Wednesday on a dram shop bill providing that recovery in actions for damages caused by intoxication against any single person or group of persons shall be entered in favor of all persons injured to a limit of \$15,000 in the aggregate. This bill is encouraging to the companies, following enactment of the \$15,000 limit by the last legislature since it was not clearly known whether that amount was to be given each party in an action or to be the total amount of an award.

The senate insurance committee has held hearings on three bills sponsored by the agents and brokers, one making it the duty of the commissioner to refuse to issue a license when the principal use of it will be for business on the applicant's own property or that of his relatives, another allowing agents and brokers to form associations and have them be licensed, and another providing that questions on examinations for agents and brokers not be published and made available to the applicant prior to the examination.

A number of workmen's compensation bills have been introduced, and all those having to do with benefit changes have been referred to a joint sub-committee of the house and senate which is meeting with representatives of labor and industry to develop a single bill on this matter.

There was a hearing Tuesday on a bill providing for compulsory automobile insurance.

New bills introduced include one to eliminate from automobile policies the requirement that the business of the insured be specified. Another would change the \$50 damages in accidents reportable under the financial responsibility law to \$100, and a new house bill would require garagekeepers having cars in monthly storage to have an attendant on duty at all times and have each car covered for fire insurance.

Harleysville Promotions

Ernest M. Delp has, in addition to his executive position as treasurer, been appointed as an assistant secretary of both Harleysville Mutual Casualty and Mutual Auto Fire. He has been with Harleysville 20 years. He is a director of Harleysville National Bank.

Frank A. Knowlan, head of the underwriting department, has also been appointed assistant secretary of both companies. Mr. Knowlan has been active in the casualty field for the past 30 years, and prior to his appointment with Harleysville in 1948, he was Philadelphia district underwriter for American Casualty.

Otto C. Lee, recently added to the Harleysville staff as assistant to the president, has had 10 years sales and administrative experience in the fire and casualty insurance field. Prior to his appointment Mr. Lee, who attended Columbia University, was Philadelphia district sales manager for Liberty Mutual.

Broderick Sets Up Own Office

R. P. Broderick, formerly of the Broderick, Schroeder independent adjusting firm in the Insurance Exchange building, Chicago, has set up his own office at 166 West Jackson Blvd. there.

Defense Rating Plan Parley

WASHINGTON—Considerable progress was reported made at a two-day conference of Defense Department insurance officials and representatives of the Conference Committee on the Na-

tional Defense Projects Rating Plan. Eight representatives of companies and rating bureaus attended and an equal number of department personnel, the latter including Thomas L. Kane, director of insurance, and people from the army, navy, air force and engineer corps insurance divisions.

After lengthy discussion of endorsements, rules and regulations proposed by the companies for application in connection with the rating plan, Mr. Kane said the group would meet again in a week or two to consider the matter. "Hundreds of points" are involved in the endorsements, etc., many of which were agreed upon and will be incorporated in the operational end of the working out of the plan.

Pick Joplin for Mo. Rally

The annual meeting of Missouri Assn. of Insurance Agents will be held at Joplin in December.

To Take Its Licking

LOS ANGELES—California State Automobile Assn. Inter-Insurance Bureau announces that it will not seek a re-hearing of the case in which the U. S. Supreme Court affirmed the constitutionality of the California assigned risk law. The association will now join

the California assigned risk plan. Under stipulation with the insurance department, during the pendency of the litigation, the reciprocal increased the number of assigned risks that it assumed, hence it will not be required to take such a large number of cases to bring it under the plan quota.

Still New Losses from 1950 Storms

The companies are still getting in hundreds of new claims every day as a result of the last Nov. 25 windstorm. One company reported that it received almost 1,000 new ones last week. During the same week it received 10 new loss reports from the May, 1950, windstorm in the midwest—catastrophe No. 6. The Nov. 25 storm is catastrophe No. 15.

NEWS BRIEFS

Miss Christine Sachs, retiring president of Insurance Women of Milwaukee, was honored at a luncheon. Miss Lorraine Schoemann is the new president; Mayme Schuch, vice-president, and Grace Baumann, treasurer.

The J. M. Lynch agency at Sioux City, Ia., has been purchased by Hassengers agency. The Lynch agency was founded in 1887. Mr. Lynch retired about 15 years ago and the agency was operated by Joseph P. O'Donnell, who died last October.

Fire & Casualty Insurance Women has been organized at Wichita to include women from the offices of agencies that

are members of the Fire & Casualty Agents of Wichita organized last year among agents not members of Wichita Assn. of Insurance Agents. Officers are Mrs. Wanda Strickland, president; Mrs. Annabel Feiler, vice-president; Mrs. Opal Redburn, secretary, and Mrs. Betty Plummer, treasurer. Kenneth P. Brasted of the Brasted agency spoke at the meeting.

Lafayette (Ind.) Assn. of Insurance Women has elected Miss Mary McKnight, president; Mrs. Loreta Barnhizer, vice-president; Mrs. Pauline Meadows and Mrs. Mary Adams, secretaries, and Miss Ethel Lehnen, treasurer. Dick Davis spoke on claim adjustments.

Auburn (N. Y.) Insurance Women celebrated their annual "bosses night". Karl A. Adams was toastmaster and Roy A. Duffus of Rochester the principal speaker.

The Dean Archey local agency won the championship of the Insurance Women's Bowling League of Seattle.

Rhode Island Insurance Women have elected Dorothy Downs president, succeeding Marie Renzl. Ethelnye Chafee is the new vice-president, Claire Del Donno is secretary, and Hope Morton, treasurer.

H. S. Holmes has sold his interest in the Tiffany agency at Ellensburg, Wash., to his partner, Hugh Hitchcock. Mr. Holmes has established a new agency at Ephrata.

Insurance Women of Memphis is sponsoring an eight week group scholarship to the summer session of Memphis Speech & Hearing Center. The organization is sponsoring a study group, with the curriculum being taken from the N.A.I.A. introductory course.

HIGH SPOTS IN HISTORY



OUR FIRST NATIONAL PARK

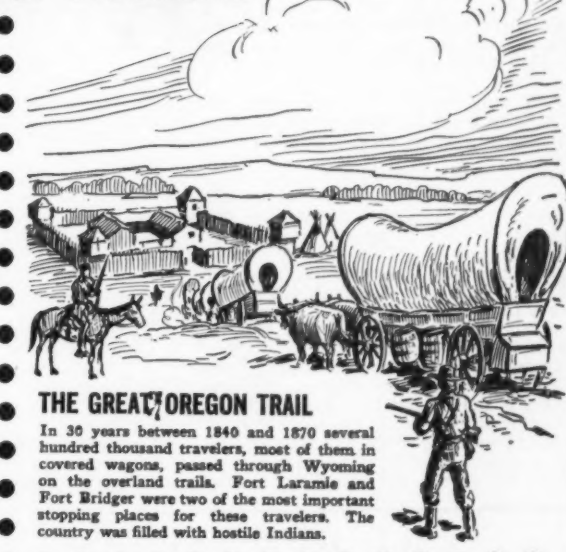
It was back in 1807 when John Colter, a trapper, discovered Yellowstone, the first national park. However, it was not until 1872 that the United States Government established Yellowstone as a national park.



THE ROCKIES CONQUERED

Back in 1832 Captain Bonneville and his company of soldiers opened up the first wagon trail across the Rockies to the Green River. This event opened up the gateway to the Pacific. This route was followed by those who joined in the California gold rush in the early 1850's.

9: WYOMING



THE GREAT OREGON TRAIL

In 35 years between 1840 and 1870 several hundred thousand travelers, most of them in covered wagons, passed through Wyoming on the overland trails. Fort Laramie and Fort Bridger were two of the most important stopping places for these travelers. The country was filled with hostile Indians.

ALWAYS A HIGH SPOT...

... to every agent is when he joins Hawkeye-Security & Industrial.

These agents know every service is provided to help them step up production ... providing service without red tape ... prompt, equitable settlement of claims ... and home office representatives always at their service.

HAWKEYE - SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



Arcadia National Verdict Is Upheld

(CONTINUED FROM PAGE 29)

Defendants were not accused of defrauding the so-called victims; and it was wholly irrelevant as to whether those witnesses saw any or all of the advertising sent through the mails. The question is whether what was sent through the mail was part and parcel of a scheme to defraud. Success of the undertaking was not essential to completion of the statutory violation; likewise whether in fact anybody was in the end defrauded was not the deciding question. Communication of false representations to the victims need be neither alleged nor proved."

Another point on which the defendants relied was the argument that evidence of only such overt acts as occurred within three years prior to the return of the indictment could properly have been submitted to the jury. However, the court held that if the jury was satisfied that a conspiracy had begun more than three years before the return of the indictment and had continued in its entirety thenceforward and that the defendants had participated in it, it had a right to consider "everything that occurred which contributed to its genesis or proved its existence."

P. L. 15 of No Effect

Regarding the defendants' argument that in view of public law 15 the federal government could not intervene in a field where state regulation was operating, the opinion says that this case has nothing to do with the regulation of insurance companies.

"If defendants, in conducting an otherwise legal business, engaged in a fraudulent course of conduct, whether that conduct was or was not approved by the state administrative office is wholly immaterial," the opinion continues. "What the state said in this respect in its communications to the defendant company was one of the circumstances bearing upon the question of good faith . . . but not decisive of the ultimate issue."

At one point in the appeal the defendants objected that Judge Barnes' interrogation of Mr. Sylvanus was "prejudicial" but the court found that this was not so and that it was nothing other than "a patient and praiseworthy attempt to draw from the witness, for the benefit of the jury, a simplified explanation of the concept under discus-

sion. Nowhere in the record is there any support for defendant Sylvanus' assertion that 'in that examination the trial judge assumed that the policies in suit have a loss ratio of 10% and policies of some other companies have 90%.' It is, on the contrary, abundantly clear that the use of the named percentages was for solely illustrative purposes and was restricted to purely hypothetical questions."

Dealing with the defendants' final contention that the closing argument of Assistant U. S. Attorney Ryan was prejudicial and that certain arguments were "not based on any material evidence and were unfair and prejudicial," the appeals court opinion states that "charges of unfairness are based on premises which have already been examined and found untenable, such, for example, as defendants' contention with respect to the effect of the approval of the terms of a policy by the state department of insurance, the duty of a policyholder to read his policy, and the admissibility of evidence relative to loss ratios. The record does not support the accusation that the arguments referred to had no foundation in the evidence."

Defer Qualification Hearing

JEFFERSON CITY—The senate committee in charge of the agents and brokers qualification measure has set May 8 as the date for a new public hearing. The hearing the night of April 24, with about 150 on hand, was quickly adjourned by the committee on the ground that there wasn't sufficient time that night to hear all those who might want to speak.

At that hearing James H. Meredith, attorney for the Missouri department, submitted 22 proposed amendments, which he indicated had been agreed to by proponents of the measure.

Then Henry Bush of St. Louis, for the casualty and surety companies, and Jesse W. Barrett, counsel for Associated Insurance Agents & Brokers of St. Louis, both stated they had some amendments that they wished to present. It was also indicated that the Mutual Alliance was not entirely satisfied with the bill as it stood.

The postponement is regarded as cutting down any chance of passage that the bill might have had.

Preferred Accident to Be Liquidated

(CONTINUED FROM PAGE 25)

Island and Nevada. It just lost its Rhode Island license this year. Incorporated in 1893, the company succeeded its predecessor, Preferred Mutual Accident Assn. In 1947 Protective Indemnity was merged into Preferred Accident of New York which assumed the former concern's policies, obligations and assets.

Mr. Bohlinger, in opposing delay in the entry of a liquidation order, said early in 1947 an examination of Preferred disclosed it was insolvent; that its capital and surplus had been entirely wiped out. Thereafter, from 1947 to 1949, funds were made available to the company by RFC in the amount of \$8 million. The Dec. 31, 1949, statement showed a surplus of \$3,292,000, while the June 30, 1950, statement showed a decrease in surplus to \$2,347,000. Since that date the surplus has continued to decline at an accelerated rate so that it is now entirely wiped out and the capital is impaired.

Immediately subsequent to the receipt of the June 30, 1950, statement, Mr. Bohlinger caused a special examination to be made to determine the reasons for the sharp decline in surplus. "This examination disclosed the gross inadequacy of the company's claim reserves, the high expense ratio and other factors which this deponent attributed to managerial shortcomings and other causes."

RFC Shut the Door

Mr. Bohlinger then undertook a series of meetings and conferences with RFC looking toward a change in management and the provision by RFC of the additional funds necessary for the continuation of the existence of the company. These negotiations culminated in a meeting at Washington on March 16, 1951, whereat RFC stated that no additional funds would be advanced.

This company, he said, has at least 100,000 policyholders and several thousand agents. In one state the supervisory official concluded that for the protection of the citizens of his state the company should make an immediate deposit of \$100,000. This demand was made in March. The company could not comply, whereupon its authority to continue operating in that state was terminated.

Judge Benvenge in signing the liquidation order, set Oct. 31 as the deadline for filing claims against the company. All liability of Preferred was terminated under the order as of midnight May 2. That gave producers two days to place their business elsewhere.

Many FR Law Changes

The financial responsibility laws of eight states have been elevated to the model standard or a good deal closer to it than they were, in this legislative season. These states are Arkansas, Arizona, Georgia, Montana, Oregon, Tennessee, Utah and West Virginia.

There is pending an amendment to the New Hampshire law that will provide for following the New York procedure as to SR-21. This is the provision whereunder a motorist in completing his accident report, indicates on a perforated slip the facts as to his liability insurance coverage. That slip is sent to the insurance company which either affirms the facts as reported, or reports them as erroneous.

In New Hampshire a motorist has to get the insurance company to file a form. It is estimated that from 30 to 60% of the paper work can be eliminated by adoption of the SR-21 procedure.

Louis A. Morritz, manager of the loss prevention department of Liberty Mutual, was a speaker at the annual Western New York Safety Conference, held at Niagara Falls.

Annual Extension Winning Converts

(CONTINUED FROM PAGE 1)

with a five-year term premium where the premium reserve is 90%, the one year contract takes only 50% of the annual premium. That difference is looming large in the estimation of many companies who feel that they are on the verge of or perhaps well on the way into another cycle of surplus erosion by reason of the action of premium reserve liability under the impact of inflation.

There is a thin line between what is known as the annual renewal plan and the extension plan. The latter concept was introduced by the Oklahoma insurance department. There a distinction was made between the word "renewal" as giving an intention to renew a one-year contract at the rate that prevails on the anniversary date. The Oklahoma department took the position that this is nothing more than a one-year contract and would have to be handled in all respects as such, for instance, as to policy changes, cancellations, increases and decreases and rate changes. The Oklahoma authorities said that a company pursuing this plan is simply filing a rate reduction and that it has no relation whatsoever to the term rule.

Converted Into Two-Year Policy

On the other hand, Oklahoma ruled that if the word "extension" is used, that represents a modification of the term rule and an extension of the one-year contract. It held that when such a policy is extended for one year, the one-year contract has been converted into a two-year term policy.

Likewise if it is extended into the third year, it then becomes a three-year term policy, etc.

The trouble is that some of the other states have not seen eye to eye with Oklahoma on this distinction and even though the word "extension" is used, they have held that this does not extend the original rate and that upon extension or renewal time the rate that is then applicable shall be charged.

One of the biggest items of appeal to companies and to agents in the extension or renewal plan as contrasted to the annual payment of the term premium is the fact that no action has to be taken by the agent to effect cancellation when the insured does not pay a premium to keep the policy in force, that is, unless a renewal certificate has been sent out. In the latter event, of course, the cancellation must be effected. Then, too, partisans of the extension plan claim that it makes for ease in the mechanics of effecting changes in coverage. For instance, they say that under the annual payment plan, if coverage is increased a change has to be made in all of the unpaid installments, even though there is only a difference of a few pennies. Also they say that the method of calculating additional or return premiums is simpler as against the method involved in the installment plan.

"Anti-Coercion" Bill Passed

The California legislature has sent to Governor Warren an "anti-coercion" bill, which makes a misdemeanor of any attempt by lender or seller to make as a condition of sale or loan the selection of an insurance producer to handle coverage of the security or collateral. This is the climax of 16 years of effort on the part of the California producers.

The California house has passed the fiduciary bill of the department, and it is now before the senate. This measure clarifies existing regulations as to the fiduciary nature of premiums while in the hands of agents and brokers. It sets 15 days as the time premiums must be paid to the insurer and return premiums to the insured, and permits commingling of fiduciary funds under certain conditions.

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Throws Cold Water on WDC

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manner and to the same extent as that responsibility would be assumed for the rest of the population. As to the civil defense worker training risk, he suggested that the most feasible method is for the states in the role of employers to provide coverage for the volunteers under their compensation laws against the contingency of pre-disaster injuries or death.

The staff memorandum declared that under the voluntary insurance method, if the government were called on to meet large deficits, there would be an overwhelming demand and need to extend government aid also to those who had incurred damage, but were not insured. This could throw the entire insurance principle into the discard. Similar dangers, the memorandum said, appear to be inherent in the proposal to use voluntary insurance for workmen's compensation.

Protection Might Be Illusion

If the government did not back up its insurance policies with funds far in excess of the \$1 billion 100 million now proposed, the protection would in the event of serious attack, be an illusion.

The primary objectives of a war damage plan include assisting in the speedy restoration of war plants; assisting in maintaining housing, community facilities, etc., essential for civilian population; clarifying and reducing as far as practicable the risk of industrial enterprises and insurance companies; avoiding the detriment to civilian morale that would result from unnecessarily inequitably distributed compensation for war losses; distributing the cost of war damage compensation equitably and achieving these objectives in a way that would be anti-inflationary. On the score of indemnity for loss on real and personal property, the memorandum insists that there should be avoidance of commitments that would hamper the use of financial resources for other more urgent activities such as the relocation of communities and restoration of maximum production. The government should reserve complete freedom to determine the timing and nature of the final settlement although some tentative or partial settlements might be feasible.

Frear expressed the hope Budget would soon submit definite recommendations, saying the committee will "rely heavily" upon them. He indicated the committee will have to "use the over-all coverage approach" in its consideration of war damage.

Staats suggested that under an overall program liabilities might constitute a very heavy burden upon the federal government and resources of the country. The voluntary insurance principle "does not appear to be applicable," he said, and government responsibility will probably continue for some time after a bombing attack.

Frear suggested the possibility of an over-all tax to meet war damage responsibilities, the money thereby raised, if not needed for that purpose, to be used for reduction of the public debt. The witness indicated doubt as to the practicability of this approach. He said legislation such as WDC operated under "would not be applicable."

Staats conceded it might be wise not to attempt to cover the whole situation at once. However, he did favor dealing with all property questions involved at one time.

Daniel F. Cleary, chairman war claims commission, made a short statement introducing C. Joseph Stetler, consultant to the commission, who testified it has in preparation a study of World War II types of claims and the extent to which they have been satisfied through private insurance or governmental intervention.

Mr. Stetler recommended that WDC legislation extend the right to purchase insurance to U. S. nationals living or owning property abroad. Also war claims commission favors extension of

insurance to include protection against injury, diseases and death arising out of war risks.

Myron Wiener, member of the war claims commission, said the bulk of claims handled by it concern damage and injury suffered abroad. He said "it might be good business to allow Americans abroad to contribute premiums to the fund out of which they might be reimbursed."

"How to assess those premiums?" Frear wanted to know.

Senator Schoeppel (Kansas) said he was "scared to think we are going to guarantee everybody all over the world. How can it be financed on some equitable basis of premium rates?" He favored setting up a separate division to deal with coverage abroad. Wiener suggested rates on American property abroad might be lower than here.

Samuel A. Sabin, general counsel civil defense administration, read a letter from Civil Defense Administrator Milward Caldwell recommending the providing of compensation or benefits for civil defense workers killed or injured in training or in performance of their duties. He favored authorizing federal financial contributions to the states on a matching basis.

Frank A. Waring, formerly chairman Philippine war damage commission, now a consultant to the Secretary of the Interior, reviewed that commission's work and suggested an additional appropriation of \$75 million to enable payment of up to 75% of the larger claims for war damages in the Philippines, as was contemplated under the Philippine rehabilitation act, instead of the 52½% allowed by the commission. The latter figure is equivalent to only 20% of pre-war costs, Waring said.

Cites 2.5% Expense Ratio

Waring said his commission was proud of its record of having operated on a 2.5% ratio, "especially since insurance companies in the U. S. have a ratio of administrative expenses to claims paid of more than twice that."

James L. Dougherty, general counsel of RFC, argued that the possibility that losses may be so catastrophic as to necessitate a reduction of all indemnities under insurance policies does not constitute ground for denying property owners the degree of protection that insurance undoubtedly will afford. The policies should set forth the possibility that the insured may be obliged to accept a ratable share of available funds. A do-nothing or waiting policy, according to Mr. Dougherty, would leave business without protection at the outbreak of war and would leave the government without current income from premiums to help meet demands for initial financial aid. He said that if enactment of property damage legislation would be unduly delayed pending consideration of other proposals, WDC should be put back into operation again with substantially its former powers as to property insurance only. The other matters can then be handled separately.

Installation Plan Is Upheld in Arkansas

(CONTINUED FROM PAGE 1)

In effect, therefore, the decision upholds Commissioner Graves' ruling of Aug. 15, 1950, in its entirety. The latter held that the installment plan of North America was not a deviation and also that, in the event it were held to be a deviation, it was still not excessive, inadequate or unfairly discriminatory.

No statement was forthcoming from officials of Arkansas Inspection & Rating Bureau or its counsel pending a careful study of the decision in detail.

Los Angeles County Mutual Fire has reinsured all the business of Southwestern Mutual Fire, which is retiring from business.

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Leaders in the field of traffic accident prevention, educators, editors, law-enforcement officers and others have given enthusiastic commendation to Ohio Casualty's plan. If you would like detailed information about it, write to the home office for a copy of our brochure—"A Plan of Action." Please use your business letterhead.



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INSURANCE NEWS BY SECTIONS

IN THE SOUTHERN STATES

All Set for Ala. Meeting at Mobile

The program for the convention of Alabama Assn. of Insurance Agents at Mobile May 9-11 has been completed. There will be a meeting of the executive committee the morning of May 9 followed by a board of directors meeting. That afternoon there will be a meeting for agents only and then there will be a sea food jamboree.

The next morning is scheduled a breakfast conference of rural agents, the chairman being John S. Huffman of Fairhope. At the first regular session with President W. O. Thomas presiding talks will be given by J. V. Arthur of Winchester, Va., member of executive committee of N.A.I.A.; Oscar Beling from the head office of Royal-Liverpool, and Henri Aldridge, Mobile attorney.

That afternoon there will be what is called a "Multiple Line Clinic" with Maurice Hartson of New Orleans as moderator. The panel consists of W. W. Sampson, manager of S.E.U.A. from Atlanta; Tom Marlowe of Phoenix of Hartford at Atlanta, and E. J. Uhler from the head office of Fidelity & Casualty. That evening comes the cocktail party and banquet.

"Order to Change Insurance" Form Provided at Atlanta

ATLANTA—An "order to change insurance" form has been made available to title closing lawyers of the city by Atlanta Assn. of Insurance Agents.

The form is designed for use where new owners assume existing insurance from the seller. It has spaces to be filled in for the location of the property, company, policy number, expiration date, former owner, amounts of present and needed insurance, name of new owner, mortgages and other information.

In some cases, the attorney calls the agent to bind and change the existing policy to the new owner, according to C. Sims Bray, Jr., president of the association. In that event, Mr. Bray said, the attorney can later fill in the information and mail it to the agent as confirmation, keeping a copy for his files. Names, addresses and telephone numbers of members of the association are listed on the reverse side.

The forms will be distributed to banks, title lawyers, title companies, building and loan associations and others in the field, Mr. Bray said. They may be obtained at no charge from the association.

Mr. Bray gives credit to Underwriters Board of Rochester, N. Y., for the origin of the form. It has been used successfully there for several years.

Faught Houston Head

Elmer W. Faught, Jr., has been elected president of Insurance Exchange of Houston. George V. Kane and M. M. Schwartz are vice-presidents, Marley Styner is treasurer and John W. Daniel is executive secretary.

Agency Has Buyers' Parley

An insurance buyers' conference was conducted at Roanoke, Va., by the Davis & Stephenson agency, with representatives of more than 200 business firms in attendance.

Walter G. Stephenson, president of the agency, was the moderator for the morning session and L. Graham Haynie, vice-president, in the afternoon. Speakers were S. P. Clark, regional manager of L. & L. & G. on "Business Interruption Insurance;" F. C. Ayres,

U. S. F. & G., "Honesty Insurance;" L. V. Irvine, supervisor of agency field service of Travelers, "Public Liability Insurance;" H. J. Doolittle, Aetna group, "Coordinating Your Insurance Program," and C. A. Hancock, secretary of Fidelity & Guaranty, "Coinsurance Clause and Insurable Values."

Florida, Georgia Mutual Agents Have Joint Rally

The Florida and Georgia Assns. of Mutual Insurance Agents held a joint annual meeting at Daytona Beach.

New officers of the Florida association are Rex Huffman, Orlando, president; Albert E. Ossip, Miami Beach, vice-president, and Frank Copeland, Tampa, secretary.

The Florida-Georgia 1752 Club elected William DeLind, Orlando, president; J. C. Barnes, Atlanta, vice-president, and William Heard, Leesburg, secretary.

Hear O'Connell at Louisville

Louisville Board of Insurance Agents at a luncheon meeting heard Arthur M. O'Connell, president of the Cincinnati Board and active in Ohio and National association affairs, discuss the new additional extended coverage endorsement.

The board plans to hold a luncheon meeting at which there will be a speaker or forum discussion the fourth Wednesday of every month, and a business meeting on the first Wednesday of the month. Speaker at the May 23 luncheon will be James C. O'Connor, editor of the F. C. & S. Bulletins.

MIDDLE WEST

Michigan Mutual Agents' Program Is Announced

The annual meeting of Michigan Assn. of Mutual Insurance Agents will be held at Grand Rapids, May 9-10, with 1752 Club of Michigan as hosts.

Bruce W. Davis, president of that club, will preside at the opening session, with the association's president, George P. Bylsma, extending greetings. A panel on fire coverage, with Charles Venema, Keyser agency, Kalamazoo, as moderator, will feature that session and T. J. McGlynn, vice-president Wolverine Mutual, will speak on "Rate Regulation."

William Flint of Michigan department will talk on "Complaints to the Department" in the afternoon; James Gregory of "Rough Notes" will speak on collections and R. W. Sneed, Grand Rapids, on a selling topic.

Speakers the following day will include A. M. Butterick, department fire rating assistant director; L. Norwood, Retail Credit Co.; Gerry Seider, Badger Mutual; Roger L. Sullivan, Michigan Mutual Auto; Carl Strong, Michigan State College insurance coordinator, and Earl McIntyre, M.S.C. journalism assistant in advertising. A casualty panel will have T. M. Kelly, Michigan Adjustment Bureau, as moderator.

Mich. Legislation Stepped Up

LANSING, MICH. — With adjournment of the Michigan legislature only four weeks away, several insurance measures have been reported to the floor. Two of these bills, now on the senate calendar, are considered of considerable importance. The first would permit exceptions from the standard fire policy form in the writing of automobile and inland and ocean marine. The second would open the way to writing stop-

loss coverage on virtually all state property. The measure would modify the state fire fund law, which now permits extremely limited exceptions to the requirement that all state properties be self-insured in the fire fund, to allow placing of \$100,000 deductible cover on state properties through private insurance facilities.

The house liquor control committee amended a measure making general changes in the state's liquor control act to permit substitution of liability insurance for surety bonds in the requirement that licensees provide the latter as a protection against claims arising from infractions of the law by the licensee. The proposed liability coverage would be not less than \$5,000 to any one person and \$15,000 during the term of the policy. No insurer might be named as a defendant in any damage action, however, and licensee bankruptcy would not discharge the insurer's liability.

The house insurance committee reported to the floor a measure proposing a number of amendments in the insurance code.

Leavenworth Board Elects

George Bernhardt, Fidelity Insurance Agency, has advanced to president of Leavenworth (Kan.) Insurance Board, succeeding George G. Baum. Phil Rayburn succeeds him as vice-president. H. G. Sawyer, Suydam agency, was named secretary.

Organize Colby, Kan., Board

The Colby (Kan.) Insurance Board was officially organized preceding an educational group meeting held there by Kansas Assn. of Insurance Agents and Kansas educational committee. Alpha H. Kenna, Topeka, executive manager of the Kansas association, was on hand for the charter meeting.

Young Fights Ouster Move

LINCOLN—Blaine Young of Omaha, ousted as state liquor commissioner, has asked the state supreme court to dismiss the quo warranto action brought by Gov. Peterson to make him surrender his office.

The governor demanded that Young quit the office after the attorney general had advised him that Young had violated state law because he held a part of the insurance business of 33 Omaha liquor license holders.

In his brief, Young alleged that the governor had no authority for the steps he took, repeated his denial of any law violation and denied that he had solicited or accepted any emoluments, gifts or gratuities from licensees.

Earlier the supreme court agreed to rule on whether the ouster was proper and within the governor's power.

License Bill Passes Senate

MADISON, WIS.—The commissioner's bill providing for the licensing of agents other than town mutuals and life, passed the state senate. Such agents now operate under a certificate of authority issued by the department on information furnished by the companies and payment of a small fee. The new bill was agreed upon by Wisconsin Assn. of Insurance Agents and Wisconsin Mutual Insurance Alliance.

Promotes Youth Project

MILWAUKEE — Milwaukee Board will hold a luncheon meeting May 16 devoted to the local Junior Achievement movement. It will honor the "company" of young people which wins first place in a contest sponsored by the board for this youth project.

Frank E. Hageman, insurance consultant, has moved to new quarters at 2303 North 49th street, Milwaukee.

EAST

N. Y. Agents' Card Ready for Syracuse Rally May 7-8

A record-breaking turn-out is expected for the annual meeting of New York Assn. of Insurance Agents at Syracuse May 7-8. The program will open with a "local board workshop" with Philip Bliss, president of the Connecticut association as the speaker, and W. Ransom Rice, Niagara Falls, as chairman.

In the afternoon, Superintendent Bohlinger of New York, Ellis H. Carson, president of National Surety, and Joseph A. Neumann, Jamaica, association president, will talk.

On the second day there will be a panel discussion on which the participants will be F. W. Doremus, manager of Eastern Underwriters Assn., and J. Edwin Fries, chairman fire and allied lines committee, on fire insurance; Milton Acker, National Bureau of Casualty Underwriters, and Roy A. Duffus, chairman of the casualty committee, on casualty insurance; Joseph P. Madigan, assistant New York manager of Maryland Casualty, and Joseph Twitchell, Syracuse, on bonding. Victor F. Veness, director of the motor vehicle department, also will speak at this session.

In the afternoon J. F. Van Vechten, vice-president of the National association, and Glenn Drake, professional lecturer on salesmanship, will talk. The meeting will be closed with a cocktail party and banquet at which Dr. Wellington Koo, Chinese ambassador to the U. S., will give an address.

G.A.B. Has Camden Office

General Adjustment Bureau has opened a new office at Camden, N. J., with William J. Hamm as manager. He is a graduate of University of Maryland and has been with G.A.B. since 1932, serving at Baltimore, Jamaica, Elmira, Syracuse and Philadelphia. More recently he has been in charge of the temporary storm office at Camden, handling claims from the Nov. 25 wind.

Little Legislation in R. I.

PROVIDENCE—The Rhode Island legislature has adjourned without passing any insurance bills of consequence. Two bills failed to pass, one hiking the premium tax from 2 to 3%, the other establishing a new schedule of requirements for deposits for domestic and out-of-state insurers.

N. Y. Mutual Agents Elect

William E. Billings, Niagara Falls, was elected president of Mutual Agents Assn. of New York State at the annual convention at Syracuse. He succeeds S. LaVerne Olmsted, Wolcott.

Frank E. Wigg, White Plains, was elected 1st vice-president; Earl A. Lamb, New York City, 2nd vice-president; J. Lewis DuMont, Cobleskill, secretary, and Norris H. Dann, Endicott, treasurer. More than 250 attended.

Fitzgerald Resident V.-P.

Robert T. Fitzgerald has been advanced by Resolute from special agent to resident vice-president at Providence. He was special agent a year at Providence. Previously he was in the auto distribution and finance fields.

Hartford Assn. of Insurance Women has elected as president Mrs. Madeline D. Lewis, General Adjustment Bureau; vice-president, Miss Ann H. Linquist, A. A. Watson & Co.; treasurer, Miss Patricia A. Smith, American-Associated; secretaries, Mrs. Renee Gorey, J. Watson Beach & Co., and Miss Dorothy M. Allen, American. Delegates to the national convention are Miss Roberta L. White and Miss Dorothy M. Allen.

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A woman's prayers, overheard in a lonely forest, launched the career of one of America's foremost educators, William Holmes McGuffey. While riding along a trail in 1818, the Reverend Thomas Hughes, a prominent pioneer, heard a woman praying that her children might receive an education. As a result of his investigation he arranged to have her stepson William McGuffey attend the Old Stone Academy in Darlington, Pa. Though the family considered this episode a miracle, in later years McGuffey himself used to remark quizzically that his practical stepmother probably timed her prayer to be heard both by the Almighty and His earthly representative.

Born on the Pennsylvania frontier in 1800, McGuffey as a boy received only rudimentary education. Even after entering the academy his home duties prevented full-time attendance. He memorized his lessons, however, and recited them aloud while at his chores, thus developing his renowned oratorical ability and the memory which enabled him to repeat verbatim many books of the Bible.

After working his way through Washington College and teaching summers, McGuffey became a professor at Miami University in Oxford, Ohio. Here in 1833 he and his wife moved into their new home (now owned by Miami University) where the idea was born for the readers which made his name a household word. Here, with his own and neighbors' children, he tested his theories of education, often holding classes outdoors with pupils seated on logs. His highly successful series of readers incorporating his teaching methods proved far superior to earlier textbooks not only in their carefully graded material but in the use of numerous illustrations which appeared in later editions.

A striking figure in his black bombazine suit and stovepipe hat, McGuffey was an unforgettable teacher and his readers had untold influence on the mental and moral development of generations of schoolchildren.